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# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,865

Wednesday February 26 1986

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Why Airbus models need £500m cash injection, Page 3

Amst. 20	Indones. 2500	Portugal	Esc 20
Batavia 100	Italy 1500	S. Africa	Rand 1.00
Belgium 35	Japan 100	Spain	Pes 166
Canada 75	Jordan 100	Switzerland	Sfr 1.50
Ceylon 150	Kuwait 100	Taiwan	Ntd 2.00
Denmark 100	Malaysia 100	Thailand	Bat 5.00
France 100	Philippines 100	Yemen	Yfr 250
Germany 100	Saudi Arabia 100	Yugoslavia	Din 135
Greece 100	Singapore 100	Zimbabwe	Doll 1.00
Hong Kong 100	Sri Lanka 100		
India 100	Turkey 100		
Japan 100	U.S.A.		\$1.00

## World news Business summary

### S.A. mine faces strike shutdown

Anglo American Corporation's huge Vaalreef gold mine complex faced a possible total shutdown after 12,000 black miners went on strike in protest at the detention by police of nine miners in connection with the killing last week of four black team leaders.

The four men were hacked to death in a mystery attack last week which also left four other team leaders badly beaten.

The strikers at the complex, which is the country's second largest mining area and employs 40,000 workers, are demanding the release of the detainees, who have not yet been charged. Page 14

### \$500m offer for Pulitzer empire

ALFRED TAUBMAN, US property developer and owner of Sotheby's auction house, offered \$500m for Pulitzer Publishing Company, the family-controlled publishing empire founded by one of America's legendary newspaper tycoons. Page 14

### Mideast peace bid

Mr Hans Van den Broek, the Dutch Foreign Minister, may visit the Middle East as president of the European Community Council of Ministers in a bid to restart stalled Arab-Israeli peace talks.

### Danish vote

Danes are expected to vote in favour of the EEC reforms by a handsome majority in Thursday's consultative referendum, if the vote follows a Gallup opinion poll published in Copenhagen yesterday.

### Kohl denies charges

West German Chancellor Helmut Kohl dismissed allegations of false testimony that led to an official investigation against him as an "evil" plot to discredit him ahead of the 1987 general election. Page 2

### French elections

The 577 seats in the French National Assembly will be contested by 7,050 candidates on March 18. The election campaign began officially yesterday.

### Emergency ended

Sri Lanka's military leader Desai Bostera announced the lifting of a state of emergency in force since 1983.

### Ethiopians flee

About 27,000 Ethiopians fleeing a controversial government resettlement scheme have crossed into north-western Somalia in the past 10 weeks.

### Iraqi villages 'held'

Iran said its forces captured 25 Kurdish villages in northern Iraq in an attack Prime Minister Mr-Hosein Mousavi said was part of Iran's fight to lure Gulf Arab states oil production and raise world prices. Page 6

### Ugandans protest

Demonstrations in front of Uganda's Parliament House over the murder of a campus official by a band of unidentified gunmen involved some 1,000 students and lecturers at Kampala's Makerere University.

### Nigeria sentences 13

A Nigerian military tribunal sentenced 13 officers to death by firing squad for their part in a coup plot uncovered last December.

### Spain's jobless rise

Spain's unemployment rate, the highest in Western Europe, is still rising as the socialist Government prepares to seek re-election later this year. Page 2

### Golden Bear award

A controversial film about the trial of the Bader-Meinhof guerrillas - *Satanstoebe*, directed by Reinhard Hauff - won the Golden Bear award at the West Berlin film festival.

### Eggcurious

A West German holiday club is offering farmers a weekend away from the farm - for 300 eggs or 80 kg of apples per person.

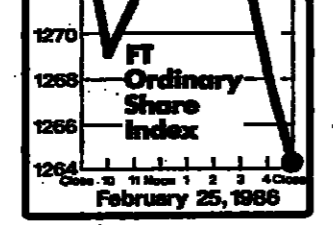
### DOLLAR continued to lose ground

It fell in London to DM 2.244 (DM 2.282), SFr 1.885 (SFr 1.901), FFf 5.975 (FFf 7.022) and Y180.85 (Y182.25). Its index calculated by the Bank of England fell from 118.7 to 117.7, its lowest level since January 1983. Page 29

### STERLING finished in London at \$1.4925

(S1.4933), its best closing level for two years. It also firm to DM 2.244 (DM 2.244), SFr 1.885 (SFr 1.885) and Y180.85 (Y180.85). Its index calculated by the Bank of England fell from 118.7 to 117.7, its lowest level since January 1983. Page 29

### FT Ordinary Share Index



LONDON: Gifts stole the show as equities fell back from record levels after a bout of profit-taking. The FTSE-100 share index closed 33 lower at 1,267.7 while the FT Ordinary index ended 11 off at 1,264.2. Page 36

TOKYO: Prices surged to another record supported by investor hopes of higher rates. The Nikkei average gained 12.72 to close at 13,578.21. Page 36

WALL STREET: by 3pm the Dow Jones industrial average was down 3.38 at 1,682.8. Page 36

UK ECONOMIC growth has slackened and output is likely to grow by less than 2 per cent this year and next, the National Institute of Economic and Social Research says. Page 8

CHINA will increase the squeeze on domestic credit this year, according to recent statements by Chinese financial officials. Page 6

INDONESIA plans to make up for falling oil revenue by selling as much oil as it can at market prices, says a senior minister. Page 2

AMERICAN Express, New York-based financial services conglomerate, plans to reduce further its stake in Fireman's Fund, California-based property and casualty insurer spun off from American Express last year. Page 15

BANK OF MONTREAL, Canada's largest bank, lifted net earnings to C\$8.2m (\$71m) in the three months to January 31 from C\$7m a year earlier.

PHILIPS, Dutch electronics group, and Sony of Japan plan to establish a common standard for the compact disc to help exploit fresh markets for this type of equipment. Page 3

SAPPORO Breweries and Asahi Breweries of Japan both reported higher profits for 1985, largely aided by increased beer consumption during an unexpectedly hot summer which waning popularity of cheap Sochu spirits. Page 17

RUPERT MURDOCH, Australian-born media magnate, has made his first public stock offering in the US to help finance the acquisition of six US TV stations. Page 15

## Jubilation in Manila as 20 years of autocratic rule come to an end

# Marcos gives up power

BY CHRIS SHERWELL AND SAMUEL SENOREN IN MANILA

TENS of thousands of jubilant people occupied the vast presidential palace in Manila last night, celebrating the dramatic departure from office of Mr Ferdinand Marcos which confirmed Mrs Corason Aquino as the new President of the Philippines.

The final transfer of power without massive bloodshed was greeted with widespread relief, particularly in Washington, where the US Government quickly recognised the "new Government headed by President Aquino."

The dramatic end to 20 years of autocratic rule came at about 9pm in the warm Manila evening, when US embassy helicopters swooped on to the palace grounds and plucked the besieged Mr Marcos and his family to safety at the Americans Clark air base, to the north of the capital. His ultimate destination was unknown, but according to one report he planned to travel today to Ilocos Norte, his home province on Luzon.

Mrs Aquino's supporters had sworn her in as President of a provisional government earlier in the day.

At her inauguration she named Mr Salvador Laurel, her vice president, as Prime Minister-designate. Mr Juan Ponce Enrile was made Minister of National Defence, while La Gen Fidel Ramos became a full general and chief of the armed forces. Both men, in a crucial move during the crisis, broke away from the Marcos Government and precipitated his downfall.

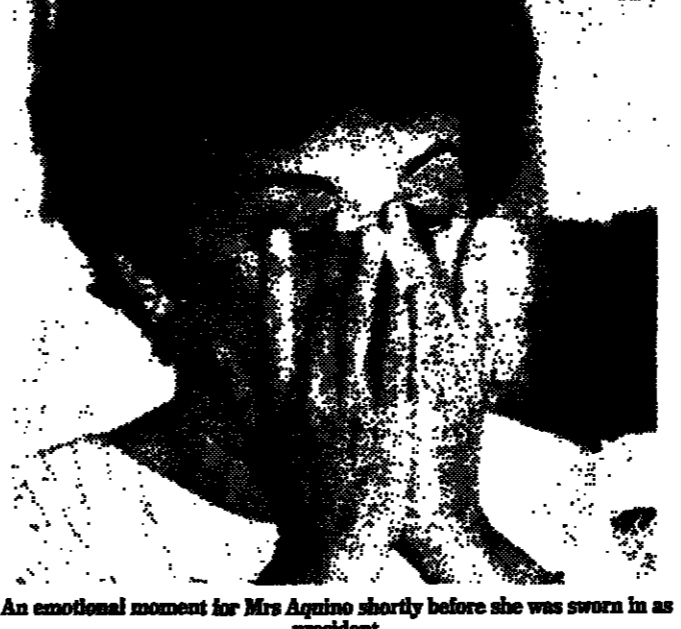
Mrs Aquino also set up a number of task forces to deal with civic problems. She intends to encourage political reconciliation and to initiate constitutional reforms. She also wishes to tackle the country's deep-rooted economic problems and a Communist-inspired guerrilla insurgency.

The broadly peaceful transition in the Philippines will be welcomed abroad and is likely to reflect well on US policy, but the real triumph lies with the Filipino people, who responded to Mrs Aquino's call for help after she was cheated of victory in the disputed presidential election on February 7.

"The long agony is over," Mrs Aquino said last night. "We are finally free and we can be truly proud of the unprecedented way we achieved our freedom - with courage and with determination and, most important, in peace."

She appealed for calm and sobriety from those occupying Malacanang, the presidential palace. The crowds swarmed in and stayed for hours after large tank forces and marines withdrew in the wake of Mr Marcos's departure. Reports of looting were rare.

An estimated 5,000 people swept through the ornate wrought iron gates of the presidential palace, pushed aside 20 guards and forced their way into an administrative block.



An emotional moment for Mrs Aquino shortly before she was sworn in as president

The guards, marines who identified themselves as members of a reform movement within the armed forces, offered no resistance and made no attempt to stop the crowd.

The whereabouts of Mr Marcos's senior aides and business associates was unknown. Gen Ramos ordered law enforcement agencies to prevent looting, public humiliation, and vandalism and traffic disturbances.

Elected officials were asked to keep running the affairs of local government. An official statement said Mrs Aquino had not authorised any group to replace city or municipal governments with "people's committees".

Banks are expected to open today after a four-day closure. International flights resumed yesterday, while domestic services, halted for security reasons, will restart on a

selective basis. Appeals were made to government workers and others to return to their jobs.

Cardinal Sin, Archbishop of Manila, urged people to be humble in victory and to work hard to reconstruct the nation.

The departure of Mr Marcos was the climax to a day which saw at least 10 people die in exchanges of fire in the capital. An hour after Mrs Aquino was sworn in, Mr Marcos held his own ceremony installing him as President, but television coverage was suddenly cut after gunfire broke out at a transmission tower.

Throughout the afternoon crowds grew outside the presidential palace, adding to the sense of threat the Marcos family must have been feeling in the past few days the strength of "people power" had clearly been demonstrated in the protection it afforded to Mr Enrile and Gen Ramos when they appeared threatened by Mr Marcos's tanks.

Political and military defections from Mr Marcos's camp were reported throughout the day following Gen Ramos's claim early yesterday that 85 per cent of the armed forces were backing Mrs Aquino.

Later last night Mr Enrile issued a statement thanking Mr Marcos for his kindness in not ordering an assault on his opponents' forces despite the President's greater firepower.

Philippines in crisis, Page 6; Editorial comment, Page 12

## Reagan pledges full backing for Aquino

BY STEWART FLEMING IN WASHINGTON

THE US yesterday welcomed the peaceful change of power in the Philippines. President Ronald Reagan gave full backing and recognition to the Government of the new President, Mrs Corason Aquino.

At the same time, Mr Reagan provided sanctuary at a US air base for the man she toppled, Mr Ferdinand Marcos, who had enjoyed unbroken American support for 20 years.

"The President is pleased with the peaceful transition to a new Government of the Philippines," Mr George Shultz, US Secretary of State, said as he rang the curtain down on the controversial relationship with an historic Asian ally.

"The United States extends recognition to this new Government headed by President Aquino. We pay special tribute to her for her commitment to non-violence which has earned her the respect of all Americans," Mr Shultz said.

The announcement was made once the White House was assured that Mr Marcos had been safely spirited away from his Manila palace. It signalled the conclusion of a foreign policy crisis which had ended in a bloody civil war, could have done untold damage not only to President Reagan's prestige at home, but also to vital US strategic interests in Asia.

Although there are still deep anxieties in Washington about how events will unfold in the coming days and months, the announcement appears to have concluded a crisis which had evoked for many Americans disturbing memories of Vietnam and Iran when the fall of a dictator and ally was merely the prelude to an emerging tragedy.

But with praise for the White House's professional handling of the crisis over the past few days raining down on the president, Mr Shultz shrewdly sought to dampen the atmosphere of self-congratulation. Citing with admiration the "pivotal" role which the electoral process had played in the Philippines, Mr Shultz added: "This has not been something the United States has done; this is something the Philippine people have done."

He left no doubt, however, that the White House was optimistic that critics who maintained that the Administration delayed too long before finally switching its support to Mrs Aquino would be proved wrong when they argued that this had fundamentally weakened America's influence with the new Government.

Questioned about Mrs Aquino's attitude towards the Communist rebels and the US bases in the Philippines - attitudes which are seen by some in Washington to be characterised by a worrying ambivalence - Mr Shultz said: "She has said to us she is firmly opposed to the Marxist insurgency... (and) she has supported the bases." He added: "On the basis of things she has said directly to us she has no question in her mind about the fact that we are here properly."

Continued on Page 14

## \$ falls to four year low against D-Mark

BY GEORGE GRAHAM IN LONDON

THE DOLLAR fell yesterday to its lowest level against the D-Mark for four years. After dropping sharply against the Japanese yen in recent months, the dollar has now begun to depreciate faster against European currencies, giving rise to growing unease in Europe about the speed of the decline.

Some European central bankers are angry with Mr Preston Martin, vice chairman of the US Federal Reserve Board, who said on Monday that the dollar could fall further. They fear that a continued drop in the dollar's value could fuel inflation in the US and damage the world economy. They are not, however, keen to move independently to lower their interest rates, which might help to slow the dollar's descent.

The weakness of the dollar has caused some tension in the exchange rate mechanism of the European Monetary System, but central bankers said yesterday that there was no pressure for realignment. They say that the outflow of funds from the dollar has not strengthened the D-mark unduly by comparison with other EMS currencies.

French officials made clear they wanted the franc to remain at its present value within the EMS, although many dealers have anticipated a realignment after the forthcoming French election.

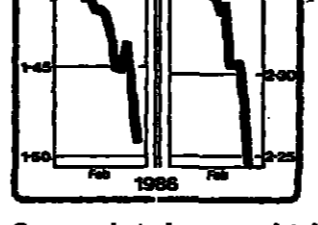
While officials say they have not yet reached a "pain threshold", the lower dollar has also reduced profit margins for European industrial companies.

A fall of nearly 4 ppc yesterday brought the dollar to DM 2.244 at the London close. It has lost 5.9 per cent against the D-mark so far this month, and stands 21 per cent lower than it did in September last year when finance ministers of the Group of Five industrial nations agreed to act together to bring the dollar down.

The dollar dropped nearly Y15 to end at Y180.85, 25 per cent below its level before September's Group of Five meeting. Sterling also gained almost 3 cents against the dollar yesterday, closing at S1.4925.

The pound's strength encouraged the UK bond market, and the Bank of England took advantage by issuing a new tranche of government stock, the first since 1973 to be issued at a yield below 10 per cent. While the 10 per cent yield barrier has been broken briefly several times since 1973, it was the first time the Bank has felt confident enough to issue new stock at this level.

## DOLLAR



Some analysts have speculated that bank base rates could also move lower, although the UK authorities are still unenthusiastic about an immediate cut.

Mr Stephen Lewis, chief economist at London stockbrokers Philips & Drew, said: "I think the next move in interest rates will be downwards, but it may not be as soon as the market thinks. The Government is unlikely to cut rates sharply before the budget."

German bonds also gained ground as investors anticipated the possibility that the Bundesbank might move to reduce its discount rate. Recent federal government loan stocks added 20 PFG to close around DM 101.30, while public authority bonds closed up to 50 ppc higher.

Some brokers, however, remained unconvinced that the Bundesbank was ready to move to lower interest rates. Currency markets, Page 29

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Europe	2	Currencies	29
Companies	15, 16	Editorial comment	12
America	4	Euro-bonds	18
Companies	15, 16	Euro-options	22
Overseas	2, 6	Gold	28
Companies	17	Int'l. Capital Markets	18
World Trade	3	Letters	13
Britain	8	Management	10
Companies	20-22	Market Monitors	36
Agriculture	28	Men and Matters	12
Appointments	25	Money Markets	29
Arts - Reviews	11	Stock markets - Bourso	33, 36
World Guide	11	- Wall Street	33-36
Commercial Law	25	- London	30-33, 36
Commodities	25	Technology	25
Cronogram	25	Unit Trusts	25-27
		Weather	14

Aviation: cash for Airbus's	3	Editorial comment: Philip-	12
wings	3	pines; UK education	12
Argentina: doubts grow on	4	Egypt: looking back to the	13
economic plans	4	days of Nasser	13
Technology: radical change	9	UK: the taxpayer loses with	13
in computer design	9	privatisation	13
Management: Goodyear's	10	Lex: London equity market;	14
research-based strategy	10	Mexican banks	14
UK: transport policy in state	12	Italy: bridging the Straits of	19
of change	12	Messina	19

Ireland 'set for recovery'

By Hugh Carnegie in Dublin THE IRISH economy is set to recover over the next five years in terms of economic growth and an improvement in the balance of payments...

Industrial output is predicted to grow by an annual average of 2.5 per cent, more than twice as fast as in the previous five years.

The bad news is that falling employment in agriculture and a growth in the labour force will strip growth in industrial jobs to leave average unemployment in the five years at 17.75 per cent of the workforce...

The ESRI concludes that there is little scope for a relaxation of the Government's austerity before the end of the decade and further restrictions in borrowings are needed.

Another scenario, assuming a faster reduction in borrowing, showed GNP rising in first more slowly than in the main predictions but recovering.

FINANCIAL TIMES Published by The Financial Times (Europe) Ltd. Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and as members of the Board of Directors...

US companies heavily involved in EEC project

By Ivo Dawson in Brussels US companies or their European affiliates have been awarded a role in nearly half the 31 projects given the go-ahead under the definition phase of the EEC's Race programme...

The extent of US involvement in the programme, which is aimed at boosting European competitiveness in the field, was revealed in details of the projects published by the European Commission yesterday.

Of the 13 schemes which include the participation of US interests, eight involve standard Electric Lorenz, the West Germany-based company which is 56 per cent owned by ITT.

The question of US involvement in Race has provoked some disquiet among leading EEC companies which have challenged the appropriateness of an American presence in an Ecu 40m (£24m) expenditure programme...

But officials said yesterday that it was not impossible to exclude companies with US participation if they were closely integrated in current Community work in the field.

The aim of the Race Definition phase is to establish the groundwork for a pan-European advanced wideband telecommunications network by 1985...

Rocard proposes increase in petrol tax

BY DAVID HOUSEGO IN PARIS

MR MICHEL ROCARD, the French Socialist leader, yesterday reinforced his claims to remain an independent voice within his party by proposing that the gain to French consumers from falling petrol pump prices should be substantially offset by an increase in petrol tax.

Mr Rocard's proposal runs counter to official Government policy as expressed by M Laurent Fabius, the Prime Minister. Mr Fabius has said that the windfall of the falling dollar and falling oil prices should be used as in West Germany...

He said that if the fall in domestic fuel prices is halted by an offsetting increase in petrol taxes, the gain to the budget would be FFY 30-40bn a year.

Mr Rocard said that this sum could be used to prepay part of France's foreign debt or to cut personal or corporate taxation.

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MR KAARE WILLOCH, Norway's Prime Minister, expressed strong concern over the possibility that the US might impose an import duty on oil, reports our Oslo correspondent.

Norway, a net exporter of oil to several countries including the US, would see such a duty as "utterly regrettable, not only for the oil exporters but also in a far wider perspective," Mr Willoch said.

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able favouritism of American oil producers and would hurt other oil producers.

He said that Norway expected all OECD member countries to "respect and support a free trade of oil."

Several US companies take part in Norway's offshore oil production. Economists here said that import duties on oil in the US and other countries could halt the development of new Norwegian oil fields.

right wing opposition if they are victorious in the March elections.

Finance Ministry officials believe, however, that the fall in petrol prices will have been fully passed on to consumers by the time the new government could pass the necessary legislation through the National Assembly to raise petrol duties.

Mr Rocard also added the novel proposal that part of the tax receipts could be used for other major industrialised countries to adopt similar policies to write-off part of the debt of the most vulnerable of the Third World countries.

Indonesia plans to increase its oil sales

INDONESIA plans to make up for falling oil revenue by selling as much oil as it can at market prices, the country's leading Economics Minister says.

Mr Ali Wardhana, co-ordinating minister for the economy, finance, industry and development, also told the Asian Wall Street Journal that Indonesia would not revise its budget for the year beginning April 1, even though the recent collapse of the world oil market has forced spot prices as high as \$10 a barrel below the \$25 figure used to estimate government revenue.

Mr Wardhana, saying Indonesia would cut spending to match revenue, also ruled out a devaluation of the rupiah as a way to fund the budget.

The minister expects the country's current-account deficit to widen because of falling oil receipts and increasing debt payments but says that \$1.07bn in foreign-exchange reserves and \$3.2bn in unwithdrawn commercial credits provide more than enough cushion for a 1986 deficit that some foreign bankers estimate may grow to \$4bn from about \$2bn in 1985.

Mr Wardhana says that each \$1 drop in the price of a barrel of oil cost Indonesia \$300m in foreign-exchange earnings. For the first half of 1985, oil exports fell 20 per cent in value from the same period the year before to \$5,040bn. Total 1984 oil exports were \$11.7bn.

Indonesia will cut budget spending in fiscal 1986/87 ending March by rescheduling development projects because of lower oil export earnings.

Low-priority state projects will be rephased and details can be expected in the second week of March, he said, adding the Government would now study which projects may be affected.

Production has averaged about 1.3m b/d in the past two years. Indonesia, a member of Opec, generally has restricted output according to Opec guidelines.

Mr Wardhana says oil output currently is about 1.4m b/d, 70 per cent of Indonesia's foreign exchange and more than half its budget revenue.

Mr Wardhana says that each \$1 drop in the price of a barrel of oil cost Indonesia \$300m in foreign-exchange earnings.

Kohl rejects allegations of false testimony

BY RUPERT CORNWELL

CHANCELLOR Helmut Kohl yesterday rejected all suggestions that he had given false testimony to a parliamentary panel, and insisted that the criminal investigation underway into such claims was part of a campaign aimed at discrediting himself and his Government.

In a newspaper interview, constituting his first public reaction since public prosecutors in Koblenz decided to press ahead last week with their probe, Mr Kohl declared that there was "nothing in the allegations against him."

"I gave my evidence (to a committee of the Rhineland Palatinate state parliament last July) to the best of my knowledge and conscience," the Chancellor told the Neue Presse Hannover newspaper.

Mr Otto Schily, the leading member of the radical Greens party, who has levelled the accusation against the Chancellor, was sharply opened in a Bundestag committee over the receipt of DM 55,000 from the Flick group have had a deeply unsettling effect on the centre right coalition.

Although it still seems on course to win in 1987, Mr Kohl's own standing has again slipped. A poll by the INFAS institute last week showed the Chancellor trailing Mr Johannes Rau, his designated Social Democrat (SPD) opponent next year, by a 51 to 37 margin in a straight popularity contest.

The Kohlens investigation will establish whether Mr Kohl told the truth last July in denying all knowledge of a front company used to channel funds improperly to his Christian Democrat (CDU) party.

Romania 'determined to maintain independence'

BY LESLIE COLTIT IN BUCHAREST

ROMANIA will not change its independent-minded policy towards Moscow in order to match its fast-growing economic ties with the Soviet Union, a senior Romanian official stressed yesterday.

The remarks by the official took on special meaning as President Nicolae Ceausescu, the architect of Romania's foreign policy, attended the Soviet Communist Party Congress in Moscow.

Western diplomats had speculated that Bucharest could forfeit its "dissident" role in the Warsaw Pact as a result of sharply increased Soviet oil deliveries to Romania over the next five years.

The Romanian official, who spoke on condition that he remain unnamed, flatly stated that Romania would continue its independent line towards the Soviet Union despite their accelerating economic ties.

The official explained that during the Brezhnev era Moscow had refused to sell oil to Romania "for political reasons."

However, the Bucharest official was sceptical that actual Romanian purchases of Soviet oil would accelerate so rapidly.

Polish writers' union ousts party candidates

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S writers' union congress met yesterday to elect a new governing board amid controversy fuelled by delegate elections in which prominent activists supported by the Communist Party leadership were routed.

As General Wojciech Jarnalski attends the Soviet-Union Party Congress he may well be musing on the implications of developments in the writers' union for his own party congress in June.

and other organisations. After martial law the authorities retained the rule in a bid to detach their credibility and in the conviction that control could be imposed despite this provision.

The writers' union was disbanded after martial law when the authorities failed to get the then leaders elected in 1980 to toe the official line.

Spain reports rise in unemployment rate

BY DAVID WHITE IN MADRID

SPAIN'S unemployment rate, the highest in Western Europe, is still rising as the Socialist Government prepares to seek re-election later this year. However, the latest figures for jobs and economic growth indicate a turnaround in the trend which has reduced the number of working Spaniards by almost 2m since 1977.

The total of jobs rose by about 65,000 to 2,93m last year, or almost 22 per cent of those available for work, according to fourth-quarter figures from the National Statistics Institute.

Danes expected to support EEC reform

By Hilary Barnes in Copenhagen

THERE WILL be a handsome majority in favour of the EEC reforms in Thursday's consultative referendum, if the vote follows a Gallup poll published yesterday.

The poll indicates a 62 per cent 38 per cent breakdown in favour of the reforms among those who have made up their minds. The total responses were 49 per cent for, 29 per cent against and 23 per cent undecided.

Peking to tighten squeeze on domestic credit

BY ROBERT THOMSON IN PEKING

THE CHINESE Government will squeeze domestic credit in 1986, as Chinese banks and investment bodies are to increase their borrowing on the international money market in coming months, according to statements made by senior Chinese financial officials in recent days.

Chen Muhua, governor of the People's Bank of China, the central bank, made clear last week that there would be a serious contraction between funds available for local loans and demand.

MORE OVERSEAS NEWS, PAGE 6

Indian economic survey warns over trade gap

BY K. K. SHARMA IN NEW DELHI

THE Indian Government's pre-budget survey of the economy presented to parliament yesterday paints a highly optimistic picture—with the rise of gross national product in 1985-86 projected at around 5 per cent—but it expresses concern over the mounting trade gap.

This has led the Government to sound a warning on the need for effective measures to strengthen the country's balance of payments, the deterioration of which it blames on the expected fall in domestic oil production and international factors such as growing protectionism.

when the import policy and tariff structure will be revised, but the first measure could come as early as Friday when the Government is to present its annual budget to parliament.

On checking the deterioration in the balance of payments situation, the Government wants to improve the country's exports which showed a nominal rise of 0.7 per cent in the first half of the current financial year.

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own reception area and specially trained staff to ensure your business function runs smoothly and efficiently. For slightly larger numbers, the Ballroom has two separate suites, one holding up to 150 people, the other 250. While under the glittering chandeliers of the Great Room, up to 1,500 guests can dine in sumptuous splendour. Discover the art of the perfect meeting. Call us on 01-499 6363.

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## Asian exporters prepare to meet US textile curbs

BY DAVID DODWELL IN HONG KONG

MAJOR Asian textile exporters who meet in Peking next week to prepare a common position ahead of negotiations on a new Multi-fibre Arrangement (MFA) will now have at the top of their agenda the threat of a renewed protectionist onslaught from the U.S. that emerged yesterday.

No official statement has yet come from the US Administration, but trade officials in Hong Kong, South Korea and Taiwan have disclosed that in the past three days that they have been asked by US trade officials to freeze textile and garment exports at 1985 levels for the next three years.

They have also been told that US trade negotiators want to impose export restraints on garments made of silk, linen and ramie—none of which falls within the MFA and not therefore subject to bilateral trade agreements. These have provided much of the impetus for export growth to the US in the past two years.

First signs that the US was preparing tough new restraints on textile imports came last week when Mr Eric Ho, Hong Kong's Trade and Industry Secretary, was told during trade promotion talks in Washington that the US wanted to advance the renegotiation of a bilateral trade agreement that is not due to expire until the end of 1987.

Since then, Mr Charles Carlisle, deputy US Trade Representative, has been dispatched to Seoul, Peking, Bangkok and Taipei to put similar requests to major Asian textile exporting countries.

Officials in Seoul are understood to have snubbed US requests. In Hong Kong, officials say they are willing to talk, and have arranged a meeting for April. It is nevertheless understood that Hong Kong trade officials are unwilling to reach any agreement that would compromise the textile exporting countries' negotiating position ahead

## Philips and Sony in compact disc link

By Laura Raus in Amsterdam

PHILIPS, the Dutch electronics group, and Sony of Japan plan to establish a common standard for the compact disc which could help them exploit new markets for such equipment.

By reaching agreement before new products hit the market, Philips and Sony hope to prevent the proliferation of formats that have previously robbed rapidly developing products of sufficient market share.

The two groups intend to establish common standards for the "interactive" use of audio and video compact disc systems.

The interactive compact disc can be used for two-way handling of music and sound as well as speech, picture, graphics, computer programs and computer data.

The ability to combine this information would, for example, enable an encyclopedia to be presented with pictures and text.

Philips and Sony first agreed on standards for the compact disc in 1983 and followed last year with a format that laid the groundwork for storing audio, video and computer data on optical discs.

The new agreement will standardise the translation of the stored information back into pictures, text and other data.

The deal with Sony achieves several goals for Philips. One is to exploit the compact disc to the fullest, another is to inter-changeably market audio-video equipment for both home and office and a third is to strengthen ties with Japanese electronic companies.

## French institute wins Aids test access to US

By David Marsh in Paris

INSTITUT PASTEUR, the French public sector research institute, has gained access to the US market to provide diagnostic tests for Acquired Immune Deficiency Syndrome (Aids), the killer disease.

The US Food and Drug Administration has delivered a licence to Genetic Systems, the Seattle-based company, with which Pasteur is linking in the US, enabling marketing to start after a long delay.

The Pasteur institute started legal action in the US in December to try to win recognition of the institute's primacy in discovering the Aids virus—a claim which is disputed with a group of rival US scientists.

Researchers at the Pasteur institute laid claim to discovering the virus in May 1983, a year ahead of the US scientists.

Mr Raymond Dammone, the institute's director, made clear yesterday that the legal action had not yet been terminated. Pasteur still faces the threat of counterfeiting action in US courts from US companies which are distributing Aids tests under patent rights giving primacy to the rival scientists led by Dr Robert Gallo of the Bethesda-based National Cancer Institute.

Mr Dammone said that, in spite of the institute's late start, it hoped to win 20 per cent of the US market for Aids tests.

## UK group in bridge order

A BRITISH company has won a £2m contract to supply galvanized suspension wire for the second Bosphorus bridge being built in Turkey by a Japanese consortium.

Rylands-Whitcross of Warrington, Cheshire, one of the companies in the TWIL group, will supply about 5,000 tonnes of the wire—half the quantity needed.

The contract was signed with three members of the consortium, Ishikawajima-Harima Heavy Industries, Mitsubishi Heavy Industries and Nippon Kogan. Deliveries of the 20,000 miles of wire will start in May.

## Bulgarian contract

Abay, the Belgian plant-builder, has been awarded a contract valued at \$46m (£32m) by the Bulgarian state agency Bimont Engineering to design and supply a factory to produce dextrins, modified starches, glucose, maltose and fructose syrups. The factory, with a processing capacity of 570 tonnes of corn a day will be financed mainly from Belgium.

## Daewoo parts deal

Daewoo Heavy Industries of South Korea has signed an agreement with Boeing of the US to supply parts for Boeing 767 and 737 aircraft. Daewoo said yesterday, Reuters reports from Seoul.

Daewoo will produce Boeing 767 r/f assemblies and Boeing 737 support arm and shaft assemblies.

The new Airbus models need substantial government aid, Michael Donne reports

## Bae's wings require a £500m cash lift



An artist's view of the proposed Airbus A-340

Project	UK CIVIL AEROSPACE LAUNCHING AID (over past five years, £m)				Total yet to be spent	Overall Total
	1981-82	1982-83	1983-84	1984-85		
Bae A-320	—	—	—	46.5	58.5	250
W-30	—	10.0	10.7	14.0	44.7	41
EH-101	—	—	—	3.7	1.8	40
RB-211-524B	0.3	—	—	—	—	0.3
RB-211-524	32.3	14.6	—	—	—	46.9
RB-211-525	60.3	38.6	14.6	—	—	113.5
RB-211-535-E4	—	—	60.0	10.0	—	70.0
V-2500	—	—	—	10.0	21.7	60.0
BAC-111	—	—	—	8.7	—	8.7
<b>Totals</b>	<b>92.9</b>	<b>63.2</b>	<b>85.3</b>	<b>92.9</b>	<b>229.5</b>	<b>450.4</b>

BRITISH AEROSPACE is likely to face one of its toughest battles yet in its bid to gain up to £500m launch aid from the UK Government for its proposed participation in the new generation of Airbus — building the wings for the short-to-medium range twin-engine A-330 and the long-range four-engine A-340.

If granted in full, the sum will be the biggest single item of launch aid yet sought for a commercial aircraft programme, twice the £250m granted for BAE's participation in building the wings for the A-320 150-seater aircraft now under development.

British Aerospace has yet to submit formal proposals, although it has discussed the matter informally with the Department of Trade and Industry, the sponsoring department for the aerospace industry.

Only two other civil aerospace ventures financed by the Government have exceeded its latest proposal. One was Concorde, which cost more than £900m for the UK's share of the joint venture with France.

The other was the Rolls-Royce RB-211 engine, following the rescue of that company from bankruptcy in 1971. From 1971 to 1976, outlays on the RB-211 alone amounted to over £250m.

Various versions of the RB-211, including the 524 type, which provides higher thrust for larger aircraft, and the 535 type used on short-to-medium range aircraft such as the Boeing 757, have accounted for £230.7m since 1981-82.

Rolls-Royce's 30 per cent share of the new V-2500 engine being built by International Aero-Engines in collaboration with Pratt and Whitney of the US and Japanese, German and Italian engine companies, has already accounted for £31.7m in launch aid, with another £28.3m still to be spent out of the £60m allocated.

Since 1945 virtually every major UK airliner and civil engine venture has received launch aid of various amounts,

including the early Comet jets, the Viscount turbo-prop airliner, the Bristol Britannia, the Vickers VC-10, the Hawker Siddeley Trident and the British Aircraft Corporation One-Eleven. Some projects, however, have not.

The new Rolls-Royce Tay jet engine is an example of a privately financed programme.

Total Government outlays on launch aid (excluding Concorde and the early rescue of the RB-211) are thought to have exceeded £2bn since the Second World War. Of that little more than 10 per cent has been covered directly by the Government through levies on sales of the aircraft or engines.

Some projects have repaid the Government handsomely — the Rolls-Royce Dart turbo-prop engine, for example, first

funded in 1949 with launch aid, and the Vickers Viscount airliner of the 1950s, were both highly successful programmes, with the Dart still in production today.

But most have not, and sometimes the Government has had to make special arrangements to write off the debt. Few projects in recent years have generated sufficient sales to earn profits for their manufacturers, much less for the Government.

Factors such as these make the Government cautious about awarding launch aid. Each application is judged on its merits and often the cabinet as a whole is involved.

British Aerospace, for instance, made a detailed presentation over the Airbus A-320 funding to the Prime Minister and other senior Ministers. Mrs

Thatcher was favourably impressed, but declared that she did not want to see "another Concorde." So far, the A-320 seems to be doing well, with 100 firm orders before it has even flown, but even that will not repay the Government's outlays.

For the A-330 and A-340 ventures the Government will be looking for a reasonable likelihood of long-term profits, based on sales of several hundred aircraft. It will also have to take account of other factors, including the long-term loss of business (and perhaps jobs) for BAE if the proposal is rejected.

The West German aerospace industry had made it clear that it would be ready to pick up the wing contract for the new aircraft if BAE could not finance it, and other European, US and Japanese manufacturers are also interested.

This argument has been used before by the UK aerospace industry to considerable effect in seeking launch aid for major projects that would never have otherwise been developed. Ministers and even governments have tended to award launch aid for fear of being accused of destroying a significant element of the advanced technology aerospace industry if they did not.

At the same time, they run the risk of being accused of feather-bedding the industry with money that might have been of greater benefit elsewhere in the nation's economy.

In view of these sensitive aspects the Government is bound to treat such a large application for further money for the Airbus, before the earlier cash injections has yielded profits, with considerable caution. At a time of tight public spending BAE will have to employ every skill it possesses and even so, may still have to make do with less than the full amount, finding the balance from its own resources or the commercial markets.

## Electrolux in link with Mitsubishi

BY CARLA RAPOPORT IN TOKYO

ELECTROLUX, the Swedish electrical appliance group, has agreed a technology link with Mitsubishi Electric of Japan in a deal expected to have a far-reaching impact on the European refrigerator market.

Mitsubishi Electric will transfer its rotary compressor technology to Electrolux under a 10-year licensing agreement. The rotary compressor for refrigerators, introduced in 1980, is about the size of a conventional compressor and uses less electricity.

About 80 per cent of Japan's 11m refrigerators sold last year contained rotary compressors, but the technology has not been introduced in Europe or the US.

"This new business relationship will enhance both parties in Europe where more than 10m refrigerators are produced yearly, a Mitsubishi Electric official said yesterday.

He added that the intense competition in refrigerator and compressor manufacturing was a very good reason why the two groups should create such links to strengthen their positions in the market.

The licensing agreement is expected to accelerate the shift from conventional to rotary compressors in the European market. Mitsubishi Electric said it was also in talks with several major US refrigerator makers on licensing its rotary technology.

The Japanese group said that the Electrolux deal could lead to other links between the two groups. "We are interested in expanding and after buying Zanussi, Electrolux is looking at ways of strengthening its position," said Mitsubishi.

Mitsubishi first marketed the rotary compressor in 1980 in Japan, and was followed by other manufacturers in 1981.

## Olivetti boosts personal computer sales to AT & T

BY ALAN FRIEDMAN IN MILAN

OLIVETTI, Italy's leading office automation group, sold 190,000 M-24 personal computers to US partners American Telephone and Telegraph (AT&T) and Xerox in 1985, for £867bn (\$453bn).

This compares with \$160m of personal computers sold by Olivetti to AT&T between April and December of 1984, during the initial period of collaboration.

AT&T, which in 1983 paid \$360m for a 26 per cent stake in Olivetti, bought 155,000 Olivetti personal computers in 1985 at a transfer price of \$341m.

Xerox, which began selling Olivetti computers in the US last year, bought 35,000 per-

sonal computers and paid \$32m. Olivetti's total 1985 consolidated group turnover was £1,130bn, up 24 per cent on 1984.

Mr Vittorio Levi, Olivetti executive vice-president for operations, said the Ixra-based group produced a total of 400,000 personal computers in 1985 and expects the level to rise to 500,000 this year.

The Fata Group, a Turin-based factory automation and packaging subsidiary of Britain's Babcock International, has won a \$32m order to supply General Motors with 500 automated guided vehicles for its North America car assembly plants.

Fata last year recorded sales of \$180m.

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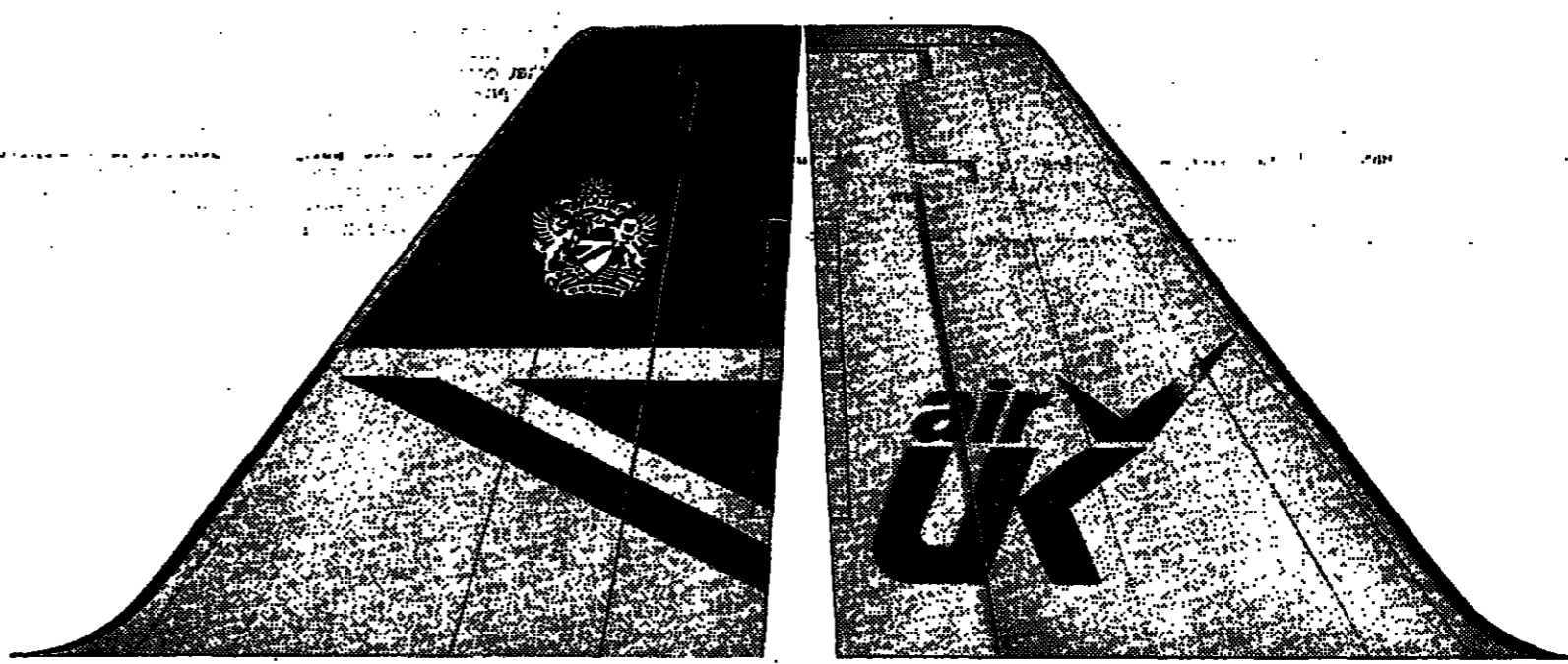
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AMERICAN NEWS

# AT & T launches electronic mail service

BY PAUL TAYLOR IN NEW YORK

AMERICAN TELEPHONE and TELEGRAPH (AT & T), the US telecommunications group, yesterday launched a commercial electronic mail service aimed primarily at large corporate users.

The group's entry into the computer-to-computer electronic message business represents a major flip for the embryonic electronic mail industry which has so far had only mixed success.

It is also likely to spur a fierce competitive battle among those companies like Western Union, MCI Communications and Federal Express which have launched electronic mail services over the past few years and have invested heavily in the hope that the business will become a big money spinner.

More than 200 corporations and 1,500 AT & T employees have been quietly testing the company's electronic mail service, dubbed AT & T Mail, for the past year before it was launched commercially yesterday.

AT & T said it has learned from this experience "how to offer electronic mail profitably, and to tailor the service to the needs of businesses that want employees to work more efficiently within groups and among various locations."

While the service, which allows computer and terminal workstation users to send electronic messages across telephone lines to other AT & T mail customers, is clearly aimed at corporate clients, it will also be available to individuals.

But AT & T is clearly hoping that by aiming the product primarily at business users it can avoid some of the problems and substantial start-up losses that have plagued its early electronic mail rivals.

AT & T also announced yesterday two software packages, one based on MS-DOS, the industry standard, and the other on its rival Unix operating system, which simplify the sending of electronic messages.

# Consumer prices in US rise by 0.3%

US CONSUMER prices, the most widely used measure of inflation, rose 0.3 per cent in January after increasing 0.4 per cent in December, Reuter reports from Washington.

The continuing rise came in spite of declining crude oil prices that started to show up in lower petrol and home heating oil prices last month.

The Labour Department said there were signs that moderation in both food and energy prices was beginning. This had contributed to the slower overall increase in the consumer price index last month.

The Commerce Department reported that new orders for big-ticket durable goods rose \$36m (£272m), or 0.4 per cent, in January.

That followed a revised 3.9 per cent rise in orders in December. The department previously reported that December orders had gained 4.3 per cent.

The key item in the durable goods orders rise was an increase of 45 per cent, or \$3.2bn, in defence capital goods orders. Excluding this, durable goods orders in January were down 2.8 per cent from a month earlier.

Mr Malcolm Baldrige, Commerce Secretary, said he expected durable goods orders to strengthen later in the year as a result of falling oil prices and a decline in the value of the dollar. A 2.5 per cent decline in defence orders reflected a sharp drop in commercial aircraft orders, he said.

# Panama close to World Bank deal

PANAMA is close to an agreement with the World Bank to clear the way for the rescheduling of \$575m (£396m) of foreign debt due this year, according to Mr Ricardo Yasquez, the Planning and Economy Minister, Reuter reports from Washington.

In addition to providing \$68m in World Bank funds, the agreement would make Panama eligible for an \$850m financial package signed with commercial creditors in October.

The package, contingent on the World Bank agreement, includes a nine-year \$60m loan.

# Political storm over Argentine privatisation

Jimmy Burns reports on why economic rationalisation may be harder than it sounds



Mr Sourrouille: powers of persuasion needed.

"THE BEST guarantee of stopping something from getting done in Argentina," the late General Juan Peron once said, "is to form a commission."

Last week the Argentine Government of President Raul Alfonsin announced that it was forming an inter-ministerial commission to discuss the implementation of the privatisation programme launched on February 6 by Mr Juan Sourrouille, the Economy Minister.

Simultaneously, it announced that a draft law on privatisation was being prepared and would soon be sent before a special parliamentary committee for further discussion.

Officials close to the Minister say the two initiatives are aimed at co-ordinating positions and speeding up the partial or total sale of the Government's holdings in a range of companies.

Those initially singled out by Mr Sourrouille for privatisation are the steel giant Somisa, the petrochemical companies Bahia Blanca, General Mosconi and Rio Tercero, and the Chemicals group Atanor.

Argentina's private sector remains to be convinced that investment in the companies up for sale makes economic sense at a time of falling world demand for both petrochemicals and steel.

But Mr Sourrouille sees privatisation as an essentially psychological move. His determination to push ahead with major structural reforms of the

World Bank for its privatisation plans, both for support in job creation schemes and for infrastructure development credits. Government officials hope that World Bank support, together with the budget savings implicit in a gradual reduction of subsidies to the companies up for sale will make privatisation a more profitable exercise than would otherwise be imagined.

Mr Sourrouille says privatisation is a *sine qua non* for modernisation and economic growth. But although he has studiously avoided talking about denationalisation and stated boldly his intention of making state resources available where they are most needed, he has not managed to persuade the nation that his way is right. On the contrary, he has provoked a political storm.

The main parliamentary opposition grouping, the Peronist Party has predictably been the first to throw itself into the ring. Anxious to recover the political initiative from the trade union movement, it has used the privatisation issue as a useful way of activating the party's traditional constituents: the working class, the military and sectors of business which have maintained strong links with the state.

General Juan Peron took advantage of a fall in world demand for Argentina's agricultural products and the absence of a strong industrial private sector after the Second World

War to promote military and state-backed industrialisation. The Argentine public sector has been growing ever since. Many Argentines still think back on the Peron years as bright with job opportunities and prosperity.

The Peronists and other left-wing groups have influence at local government level in an area of the country where some of the major privatisation candidates like Somisa, are located. Local officials have been quick to rally support for protests against the plan.

The modernisation contemplated by the Government is a password for mass lay-offs similar to those applied in Europe, its opponents claim. Somisa has a workforce of 12,500—a figure which according to some analysts would have to be reduced by half if the company were to be made cost effective.

Other vested interests are expected to join battle shortly. Both the state and the private sector are involved in a complex structure of management and shareholdings in all the companies to be privatised. Government responsibility for the steel and petrochemicals sectors is theoretically shared by the Ministries of Defence, Economy and Public Works.

The Ministry of Defence's shares are channelled through the military industrial holdings, Fabricaciones Militares, which has interests spanning a range

of sectors from shipbuilding to explosives. The Ministry of the Economy considers it has overall responsibility for the finances of the state companies, although President Alfonsin recently created two new sub-secretariats answerable to him—one in charge of "growth and promotion," and the other of state company audits.

The Ministry of Public Works has important shareholdings in the petrochemical companies through Gas del Estado, the gas utility, and YPF, the state oil concern.

The Ministry of Defence has to be careful not to provoke the military by being seen to hand over strategic sectors of the economy too readily. Even greater resistance has come from Mr Conrado Sturlani, the Energy Secretary and President of the state companies involved.

Even if the Government manages to sort out the current tug-of-war—and officials at the Economy Ministry say that Mr Alfonsin wants them to proceed as planned, even at the risk of a major parliamentary debate—there are complex technical problems that will need to be overcome.

Not least of these is the difficulty of maintaining the real worth of a company in a country such as Argentina. Following years of high inflation, not to speak of tax evasion and financial window-dressing, most company accounts are virtually meaningless.

# Latin American ministers begin three days of talks

BY JIMMY BURNS IN BUENOS AIRES

LATIN AMERICAN ministers meet today in the Uruguayan seaside resort of Punta del Este to begin three days of talks which are expected to culminate in a key meeting on foreign debt on Friday.

Preliminary talks will involve the foreign ministers of Colombia, Mexico, Panama, Venezuela, Argentina, Brazil, Peru, and Uruguay. Together these countries co-ordinate the Contadora initiative for peace in Central America.

The meeting on Friday will be attended by the foreign and economy ministers of Argentina, Mexico, Venezuela, Colombia, Uruguay and Brazil. This "monitoring group" of the Cartagena group of debtor nations will concentrate on the debt issue in the light of recent developments in Mexico and the fall in international oil prices.

Today's gathering was arranged in an effort to keep alive efforts to bring about a diplomatic solution to the

Central American conflict in the face of an only partial response from both the US and Nicaragua to the Contadora proposals.

These proposals, including a call for an immediate withdrawal of foreign and irregular troops operating in Central America and the guarantee of free elections and full respect for civil liberties, were reiterated in a summit at Caraballeda, Venezuela, last month.

Mr Harry Shlaudeman, the US special envoy for Central American affairs, has been touring Latin American capitals to sound out the views of the Contadora group.

Following talks between Mr Shlaudeman and President Raul Alfonsin in Buenos Aires on Monday, Argentine officials said that the US had reaffirmed that it was not preparing a military intervention in the region, and was broadly in favour of the principles underlying the Contadora initiative.

# Clint Eastwood shoots for the mayorship

BY LOUISE KEHOE IN SAN FRANCISCO

THE mayoral elections in Carmel-by-the-Sea do not usually make big news outside the boundaries of this affluent little Californian resort community. But when one of the candidates happens to be Clint Eastwood, the film star, the whole world starts watching.

Mr Eastwood, 56, is taking the election seriously. A resident of Carmel for 14 years, and the owner of a popular Carmel restaurant, The Hog's Breath Inn, he aims to "save the town's business community from a bureaucratic nightmare."

He is against the business development restrictions that have been imposed by Ms Charlotte Townsend, incumbent mayor. Her council has been determined to maintain the exclusive "village" atmosphere of Carmel, where homes

typically cost around \$1m (£690,000), and to discourage tourism.

"I care very much about Carmel. I'm not doing this as a joke," says Mr Eastwood. But his entry into the mayoral election, scheduled for April 8, promises to make it one of the oddest polls campaigns in US political history.

"Think about it: Clint Eastwood knocking on doors, asking for votes," says Mr David Maradel, a city councillor who is seeking re-election.

At a store owned by Mr Paul Laub, a lesser-known mayoral candidate, "Clint for Mayor" T-shirts decorated with a gun and the slogan "go ahead—make my day" . . . one of Mr Eastwood's most famous lines—are selling briskly.

Mr Laub, mindful of his own

political ambitions, says the T-shirts sell in packs of two, the second carrying his own Laub for mayor slogan.

Mr Eastwood has vowed that the election is not a publicity stunt. He has refused to be interviewed by out-of-town reporters and announced his candidacy in the local weekly Carmel Pine Cone.

"There is a groundswell of support for Clint Eastwood," said a long time resident of Carmel. "His chances of election are good. He is an astute businessman. He manages money very well and people here respect him."

Would it be a problem to have a movie star for mayor? "Not at all. We have lots of movie stars living here."

Eastwood . . . anti-bureaucracy.

# Nasa 'was advised to delay launch'

By Nancy Dunes in Washington

AN ENGINEER employed by Morton Thiokol, manufacturer of the US space shuttle's solid booster rockets, yesterday expressed scepticism about recent assertions by senior officials of the National Aeronautics and Space Agency (Nasa) that they did not know of his grave reservations about the January 28 launch.

Mr Allan McDonald told the presidential commission investigating the Challenger disaster that he had urged space agency officials to delay the launch until at least the afternoon when warmer weather would minimise the risk.

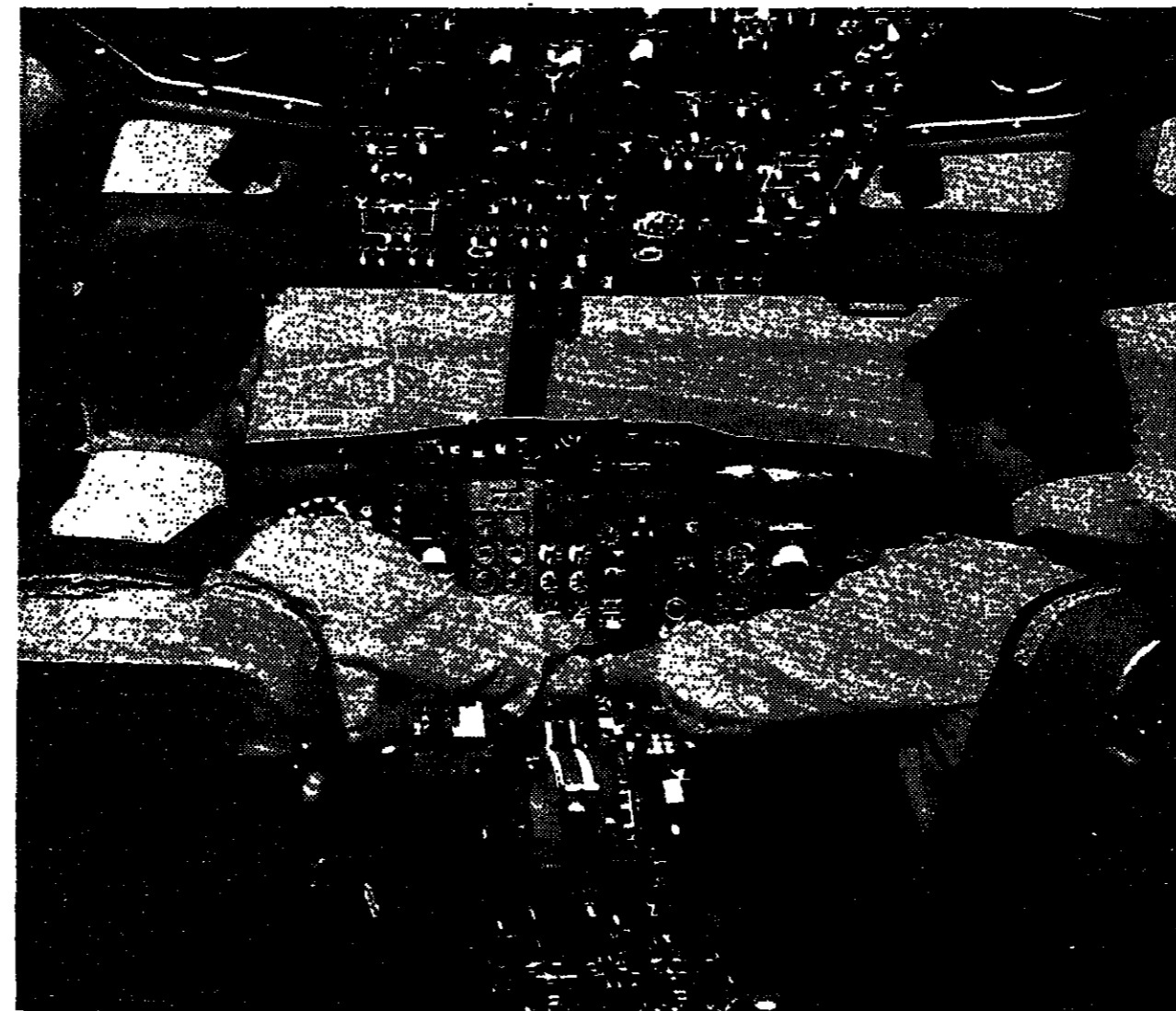
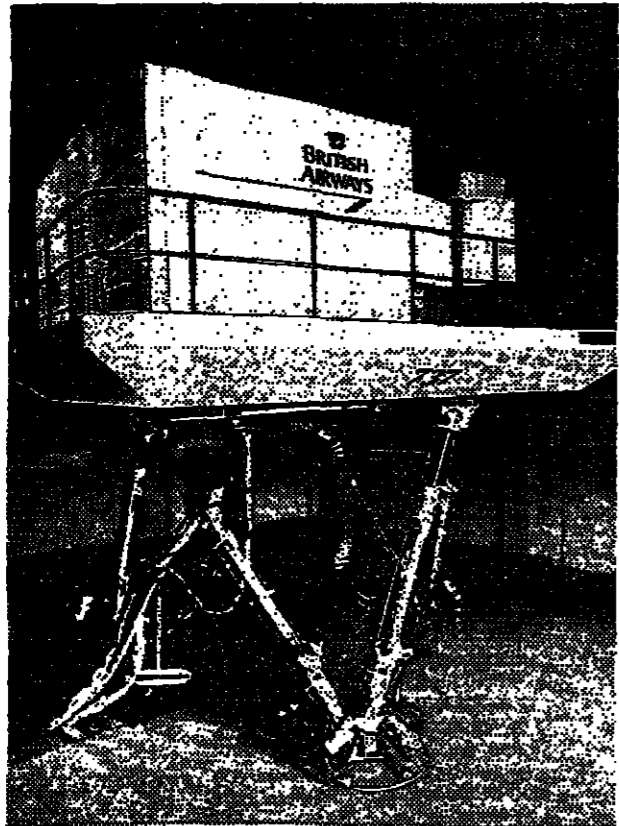
Engineers had been concerned about the effect of the freezing overnight temperatures



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THE PHILIPPINES CRISIS

Chris Sherwell explains how Cory Aquino won the confidence of a grateful nation

Reluctant leader grows into the job

A MERE five months ago, President Ferdinand Marcos was asked about Mrs Corason Aquino...

Now Mr Marcos knows. The 55-year-old widow of Mr Benigno Aquino, his greatest political opponent...

When he cheated her of election victory through fraud and violence, she pressed home her claim with a brilliantly judged protest campaign...

The transformation from politician's widow to political leader reached its apotheosis yesterday...

Cash cargoes 'flown to Hong Kong'

A PRIVATELY-OWNED Learjet has been ferrying cargoes of cash amounting to tens of millions of dollars out of Manila and into Hong Kong...

The report gave substance to the widely held belief that Hong Kong has for several years, but particularly in recent months, been used to "launder" money brought illegally out of the Philippines...

the custody of Government security men when he returned to Manila from self-imposed exile in 1983.

It remains possible that having successfully taken the country into a new era, Mrs Aquino will prefer to adopt an elevated, almost regal role, capitalising further on the legacy of Filipino unity...

She could leave the task of running the Cabinet to her politically-ambitious running mate, Mr Salvador Laurel, and the less-arduous and reform of the armed forces to Mr Juan Ponce Enrile and General Fidel Ramos...

Additional talent is at her disposal among members and former members of the National Assembly and the professions. Even those in the Civil Service and military who switched allegiance late may not be frozen out of the "new republic" given Mrs Aquino's spirit of reconciliation...

US crosses fingers and congratulates itself

BY STEWART FLEMING IN WASHINGTON

"DO YOU have any other leaders in mind that you would like to get rid of?" US Secretary of State George Shultz was asked yesterday as the overthrow of President Marcos set the seal on what is being viewed here as a major foreign policy triumph for President Ronald Reagan.

Mr Shultz ducked out quickly at that point, but already right-wing supporters of the Reagan Administration are saying, with Nicaragua in mind, that Mr Reagan should take note of his success and not shrink from using US influence elsewhere if necessary using military force, to promote democratic revolutions.

Critics of the Administration, meanwhile, worry that the successful transfer of power in the Philippines may make the hawks in the administration overconfident. Americans can indeed congratulate themselves in the Philippines, they say.

For once, the US has been able to abandon a dictator and align itself wholeheartedly behind a new democratic Government, and to help in accomplishing this transition without violence. But this should not lead the US down the slippery slope of military involvement, the argument runs.

Whatever the longer-term implications, for the moment at least Mr Reagan can bank in the high praise awarded to his Administration for what is universally accepted as its "professional" handling of the last few weeks of the Philippine crisis.



Mrs Aquino (right) shakes hands with Gen Fidel Ramos during her proclamation as President. Vice-President Salvador Laurel looks on from the middle.

—that he should go non-violently, which means through the ballot box. That means there should be only one other candidate in any election.

Initially, this daughter of one of the country's wealthiest land-owning families did not wish to be that candidate. But she also did not want it said that she had failed to do something essential to remove Mr Marcos. Eventually, she accepted the candidacy.

Just as her view on the need for a single candidate ultimately prevailed, so did the view that Filipinos had to remove Mr Marcos themselves, and to do it without violence.

In the wake of the disputed

February 7 election, Mrs Aquino was under heavy pressure to be more aggressive, but she refused to stray beyond a line set by the Catholic Church, keen to avoid provoking a pro-Marcos backlash. Above all, she wanted to persuade ordinary people that they had the strength to do the job.

Events have shown her strategy worked, and a new phenomenon of "people power" is alive in the Philippines. Beholden to no group in particular, Mrs Aquino's already considerable personal authority now looks infinite. She has emerged from the traumatic post-election crisis poised to wield it wisely and with the confidence of a grateful nation.



Mr George Shultz.

the Philippine people have done."

By finally deciding to throw America's weight unequivocally behind Mrs Aquino, and with the reassurance provided by the fact that (as Mr Shultz noted) Mrs Aquino is bringing into her government Gen Ramos and Mr Enrile, both former Marcos loyalists, the US is hoping that the transition will be a stable one.

Fingers are still being crossed in Washington, for officials are aware that this nascent democracy, assuming it survives, is likely to be a more difficult and nationalistic ally than before. But the starting point for the new relationship is a thousand times better than could have been hoped for only a few hours ago.

LAST DAY OF MARCOS'S PRESIDENCY

7.30 am: Tuesday: General Fidel Ramos announces 85 per cent of armed forces back Mrs Corason Aquino: Eight die in gun battle in Manila's financial district.

10.45 am: Mrs Aquino proclaimed president under a "people's resolution," takes oath and announces key appointments, including vice-president Salvador Laurel as Prime Minister-designate.

Noon: Mr Marcos takes oath as president and says he will overcome all obstacles. Shooting at TV transmitter backs out ceremony and leaves at least two dead. Crowds continue to gather outside presidential palace.

4.30 pm: Stone thrown at television building outside palace. Demonstrations by loyalists continue. Rumours circulate that Mr Marcos may soon go.

9 pm: Helicopters spirit Mr Marcos and family to US Air Force base and into exile and 20 years of autocratic rule end.

First the pride, then the fall

By Chris Sherwell in Manila

JUST BEFORE noon yesterday, the master of ceremonies at the Malacañan Presidential Palace in Manila shouted above the cheers of flag-waving Marcos supporters...

Before the first word of the inauguration ceremony could be uttered, the picture was lost—on channels two, three and 13.

Nine hours later, Mr Marcos was on his way to Clark air base and then into exile, along with his wife Imelda, his daughters Irene and Imee and his son Ferdinand.

Mrs Aquino's ceremony was a jubilant, even tearful affair. A "people's resolution" declared null and void the National Assembly's proclamation of Mr Marcos as President ten days ago.

Mrs Aquino then read a proclamation of herself as President and promised a Government of "justice, morality, decency, freedom and democracy."

Mr Salvador Laurel, her deputy, was named as Prime Minister, and Mr Enrile, as Defence Minister. In Clark, where tens of thousands of people stood ready to form a human shield against an attack by tanks crewed by Marcos loyalists, people wept as Mrs Aquino took her oath of office.

Thousands of people outside the club where the inauguration was held sang the national anthem and the Lord's Prayer as Mrs Aquino arrived to be sworn in. They hugged each other, cried, danced and knelt in prayer.

In her brief inaugural speech, less colourful than that of Mr Laurel, she invoked the name of her husband "Ninoy," saying it took his assassination to bring the unity and strength needed by the Filipino people to shatter Mr Marcos's dictatorship.

At the fortress-like Presidential Palace, about 600 people had watched Mr Marcos take his oath, haltingly, from Chief Justice Ramon Aquino. "No man can be more proud than I am at this moment," Mr Marcos said. The times did not call for a big celebration, he said, but whatever the challenges, "we shall overcome."

Apart from those present with interest payments on its \$200m foreign debt, but money supply growth is said to have run out of control, making it unlikely that the economy will get a clean bill of health when the IMF review does finally take place.

Tide of events too much as Marcos flees from office

By Chris Sherwell in Manila

FERDINAND MARCOS was flown by helicopter from his palace and into history last night, ousted as the country's president after 20 years in power. Though he was his country's longest-serving leader in modern history, he was ultimately one of the most disastrophically appointed and left in disgrace.

He began as a successful lawyer-turned-politician and won early popularity and respect. But that slowly evaporated as he became increasingly autocratic, the economy deteriorated, and domestic opposition grew.

At the end his health was weak, he was accused of being a fraud over his alleged vast riches, and exposed as a cheat in a presidential election against Mrs Corason Aquino.

For more than three years he had been trying hopelessly to stem the relentless slide in August 1983 of his most potent critic, Mr Benigno Aquino, Mrs Aquino's husband.

Mr Marcos had entered politics early, becoming a representative for his northern province of Ilocos Norte at the age of 32. Five years later in 1954 he married Imelda, an attractive former beauty queen after a whirlwind courtship. As a twosome they cut a powerful image: it was clear they were

destined for higher things and they plainly had ambitions to match.

Mr Marcos switched parties to contest the presidency in 1965 and defeated President Macapagal.

By 1969 he had amassed enough strength to become the first president ever to win re-election.

In 1972 before another election which he was constitutionally barred from contesting, and amid growing opposition to his rule, he imposed martial law. From this time on the accretion of power escalated inexorably.

Through the skilful use of patronage, political blackmail and an arsenal of security powers, Mr Marcos methodically neutralised his opponents—in the military, the bureaucracy, the corporate sector, the press and, above all, the political parties.

But he established few new political institutions, and no visible successes. He also became extremely wealthy. Mr Marcos's amoral style of rule always seemed destined to bring insurmountable problems. One was a relentlessly growing Communist-inspired guerrilla insurgency. Another was the economy, which without fundamental reforms threatened to become a cancer.

Bankers fear rescheduling agreement will founder

By Peter Montagnon, Euromarkets Correspondent

BOTH THE IMF and commercial banks are certain to delay loan payments to the Philippines in the aftermath of yesterday's departure of President Ferdinand Marcos from office.

And as social unrest continued after his resignation, fears were growing in the banking community that the complex IMF loan package which formed the basis of last year's \$100m (\$8.5bn) rescheduling agreement with bank creditors might founder altogether.

At stake in the short term is an SDR 100m (\$8.7m) loan payment from the IMF which was originally due in March. It was to be followed shortly afterwards by a \$386m loan payment from bank creditors under the rescheduling package.

In the confusion surrounding the run-up to the elections of February 7, the IMF was forced to postpone a mission to Manila to review the economy at the start of this month. This was the first stage towards authorising further drawings on its SDR 615m loan. Now IMF officials in Washington face the problem that there is no one to negotiate with in Manila until Mrs Corason Aquino, the country's new leader, appoints an economic team.

Mrs Aquino took a generally hostile line towards foreign creditors, but bankers said they would wait for proper contacts with her Government to start before attempting to judge her debt policy in practice.

No meeting of the advisory committee of leading creditor banks, chaired by Manufacturers Hanover, has yet been called. Bankers said the first priority was to see the new Government established and then to examine the fate of the IMF programme.

The Philippines rescheduling—which ironically became inevitable after the assassination of Mrs Aquino's husband, Benigno Aquino, caused a surge in capital flight in the Autumn of 1983—is regarded as one of the most complex and difficult ever.

It has been dogged by economic difficulties and policy failures of President Marcos, who refused to reform the sugar and coconut oil industries, as well as technical problems following the freeze imposed by the Government of interbank money market deposits at the Manila branch of Citibank.

OVERSEAS NEWS

THREAT TO 'CONFISCATE' GULF OIL

Iran attacks Iraq on second front

By Kathleen Evans in Kuwait

IRAN LAUNCHED a diversionary attack into northern Iraq yesterday and threatened to "confiscate" oil produced for Iraq by Saudi Arabia and Kuwait.

The second attack was seen as an effort to distract Iraqi troops from the fighting in the Faw peninsula. Iran said it had captured 25 Kurdish villages and had already reached Chwarta, near the Iraqi town of Sulaymaniyah, which was now within the range of Iranian guns, said Tehran officials.

Iran's Prime Minister, Mir Eusein Mousavi, in a speech to war volunteers in the capital, said that the attack was aimed at threatening Iraq's oilfields in Kirkuk and countering the "oil conspiracy"—Iran's terms for the increased oil output of the Gulf states as part of their strategy of regaining market share.

The current oil crisis is becoming an increasing source of friction between Iran and the Gulf states which support Iraq. The Iranian president, Mr Ali Khamenei, told Tehran radio yesterday that Iran might start "confiscating" oil produced for Iraq by other Gulf states.

This was a clear reference to the 250,000 barrels a day produced by Saudi Arabia and Kuwait from the neutral zone between the two countries. In addition the Kingdom supplies 60,000 b/d of Arabian Light.

At least four French nationals arrested in Tehran on Monday have been freed, but the fate of a fifth detainee was unclear, French embassy sources said yesterday, Reuters reports from Tehran.

The four were released before a march of 500 Iraqi refugees on the French embassy, which was blocked by truncheon-wielding police some 100 yards from the embassy gate after a brief scuffle. Police said there were no arrests.

The Iraqis, shouting "Death to France, death to Mitterrand" and burning the French flag, were protesting at the expulsion from Paris to Baghdad of two Iraqi dissident students and the arrest of others in France.

The French embassy, standing guard on an embassy roof, told Reuters he was arrested yesterday morning by the Komitah, an Iranian special police force, and released at 2 am yesterday. He said he had been well treated.

Also freed were two engineers with the Alstham heavy engineering company, Mr Jean-Pierre Descourt and Mr Jean-Pierre Boidot, and Mr Boidot's wife, Francoise. The fate of Mr Gilles Picot, an engineer with Cogeflex, was unclear.

should we make the decision some day—we can confiscate the oil sold for Iraq."

President Khamenei said that the increased oil production of the two countries was partly responsible for the collapse of world oil prices. "We should say that we will reply to a blow by a blow. This is a real war, and the oil war is not less than the war on the front," he said.

Saudi Arabia and Kuwait reviewed the oil assistance programme for Iraq just two weeks ago shortly after Iran launched its "Dawn Light" offensive in the Faw peninsula and decided to continue the arrangement whereby Iraq will one day, supposedly, repay the oil in kind.

Iran's attack in the northern sector of the Gulf war front came as Baghdad was waiting an imminent victory over Iranian forces in Faw. Iraqi officials remained silent on the subject of the northern attack, but said that Iranian forces in the south were fighting for time to prepare for withdrawal from the southern town.

The attack in the north came as a surprise, for a second offensive by the Iranians had been expected in the Huweish marshes area of Iraq facing the Iranian town of Susangerd. In recent weeks Iranian troops had been reported to be building up their forces there.

Iran has been stopping and searching ships for cargoes bound for Iraq for some time now. But two days ago, two Iranian helicopters buzzed a Kuwaiti naval vessel just 16 miles south of Kuwait City.

President Khamenei told Tehran radio: "Some countries admit they sell oil for Iraq. Everyone will accept that—

Defections spark crisis in Sabah

By Wong Sulong in Kuala Lumpur

THE TEN-MONTH Christian-dominated Government in the oil and timber rich Malaysia State of Sabah has been plunged into another crisis following the defection of six of its state assemblymen to the opposition.

The Sabah Chief Minister, Datuk Joseph Pairin Kitingan, said that a visit to Kuala Lumpur for the rulers conference yesterday and flew back to Kota Kinabalu, the state capital, where he will chair an emergency meeting of the ruling Party Bersatu Sabah (PBS).

The defection of the six assemblymen could mean that the PBS could lose its majority in the state assembly. Reports from Kota Kinabalu said another four PBS assemblymen could also defect.

The resignation of the six would leave PBS with only 22 elected assemblymen compared with 28 from the opposition. In addition, the PBS has six nominated members. PBS swept to power last April on the votes of the Christian Kadazans and the Chinese, but the Administration has been virtually immobilised by a series of court suits.

One of the legal suits is from the Muslim opposition leader, Tun Mustapha, challenging the legality of Datuk Pairin's chief ministership. The Sabah high court will deliver its judgment on April 5, and if the verdict is in favour of Tun Mustapha, he would have no difficulty in forming the new government.

NOTICE OF REDEMPTION

NEW ZEALAND

Floating Rate Notes due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the Fiscal Agency Agreement dated as of April 7, 1982 between Her Majesty the Queen in Right of New Zealand ("New Zealand") and Morgan Guaranty Trust Company of New York as Fiscal Agent under which New Zealand issued its Floating Rate Notes due April 7, 1987 (the "Notes"), and the Notes, New Zealand has elected to and shall redeem on or before April 9, 1986 all of the outstanding Notes at a redemption price of 100% of the principal amount thereof (the "Redemption Price").

The Notes shall become due and payable on the Redemption Date and interest on the Notes will cease to accrue from and after the Redemption Date and the coupons for such interest shall be void.

Payment of the principal amount of any Notes shall be made by United States dollar check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payee not recognized as exempt recipient. Failure to provide the payee with an executed IRS Form W-4, certifying under penalties of perjury that the payee is a United States person, or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate), those holders who are required to provide their correct taxpayer identification number or IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

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UK NEWS

Murdoch backed over print union dispute

BY WALTER ELLIS

MR EDDY SHAH, chairman of News UK, which next week launches Today, a new national newspaper, yesterday supported Mr Rupert Murdoch in his dispute with the print unions over the new printing plant at Wapping, east London.

Mr Murdoch's company News International, has moved publication of The Times, The Sunday Times, The Sun and News of the World to the Wapping plant and to another new plant in Glasgow, Scotland. Over 5,000 print workers have been dismissed after taking strike action over the move.

"I think I would have had no alternative but to do what Mr Murdoch has done," Mr Shah told the annual conference of the Institute of Directors (IOD).

Mr Murdoch, he said, ran a business. It was a tragedy that 5,000 people had lost their jobs but they should not have followed their unions blindly.

"When you have been on the ground for six years being kicked by people and you then stand up and hit them on the nose and they complain 'Look what you've done to me', then you have a right to feel aggrieved," he said.

British print unions, he said, had expressed satisfaction that they had at least held up the introduction of new technology for 13 years. This was a measure of their short-sightedness.

In the Netherlands and the US, where change had been endorsed a decade earlier, many jobs had been created. It was a shame that in the UK unions had chosen to protect an outdated industry instead of going with new technology.

News UK employees, he said, enjoyed share participation, private health care and uniform holiday entitlement with executives. New technology had opened up and simplified relationships between employers and their staff.



Mr Shah: Advocate of new technology

Sir John Hoskyns, IOD director, told the conference that Britain could not afford to wait until there was trouble at Wapping, the UK helicopter company, before starting to think about whether defence contractors were different from ordinary businesses.

Nor was it a good idea to wait until potential overseas buyers showed an interest in BL, the state-owned vehicle group, before a public debate was joined on the pros and cons of a British car or truck industry.

"It is silly," Sir John said, "for dissenting ministers to lease the commentators with coded messages. We are talking about the future of this country, not some amusing party games."

The Cabinet had to think problems through, he said, but after six years in power the present Government had scarcely started.

"The danger is that a failure to achieve consensus in Cabinet could cause the whole attempt to break out of our post-war decline to be abandoned," he said.

Management at the Financial Times is asking clerical workers in the newspaper to sign a strike-free deal. The move is thought to be the first time an established national newspaper has taken such a step with any of its employees, Philip Bessett writes.

The FT's proposals are a further indication of the changes in traditional working practices now sweeping through Fleet Street.

Four sites named for N-waste disposal

By David Fishlock and Kevin Brown

THE GOVERNMENT has named four potential sites for nuclear waste disposal. Mr Kenneth Baker, Environment Secretary, told the House of Commons yesterday that the nuclear industry wanted to explore the sites in more detail before selecting one.

The Government, he said, intended to lay a special development order before the Commons in April, permitting the industry to make test drillings at the four sites.

Mr Baker assured MPs that, should the industry decide that a site was suitable, he would call in his plans for a public inquiry. He hoped that the inquiry would begin in 1988.

The prospective sites are at Bradwell, Essex, at the site of a Central Electricity Generating Board (CEGB) nuclear station; at Ebstow, Bedfordshire, on another CEGB site; at Falbrook, Lincolnshire, on a disused site of Defence Ordnance; and at Killingholme, Humberside, on another CEGB site.

Mr John Wakeham, the Government Chief Whip (parliamentary party manager), whose constituency includes Bradwell, last night strongly opposed the inclusion of Bradwell. He stressed his support for the Government's nuclear policy, but said his constituents would want to know why so restricted a list of sites had been drawn up.

There were also angry protests from other Conservative MPs from Essex, Lincolnshire and Humberside. Mr Michael Brown, whose constituency includes Killingholme, said there was no geological justification for its inclusion. The site had been short-listed simply because it happened to be in public ownership.

Mr Baker told the Commons that he believed public anxieties about the danger of nuclear wastes were "out of all proportion to the nature of the problems posed by disposal."

He said there was "no technical difficulty whatsoever" in handling the wastes which would go into the repository, which was expected to cost about £100m to build and a similar sum to maintain while it was being filled.

The wastes were all solids. Most of the low-level waste was clothing and other materials which had become radioactively contaminated while being worn or used by people.

"It does not need any shielding, and is no more radioactive than many everyday things like hand-sawed wood, telephones, or some garden fertilisers," Mr Baker said.

The Environment Department had been told by its radioactive waste management advisory committee that the nuclear industry's plans for a repository were a much safer way of dealing with radioactive wastes than current storage practices.

Output likely to grow by under 2%

National Institute Quarterly Review

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE PACE of growth in Britain has slackened and output is likely to grow by less than 2 per cent this year and next, the National Institute of Economic and Social Research says.

Its quarterly Economic Review says that the sharp fall in the oil price since last autumn has improved slightly the prospects for higher output. The loss of income from oil exports will be borne mostly by oil companies and the Government, leaving domestic demand little affected and an improved outlook for exports.

Relatively sluggish investment and the delayed impact of last year's rise in sterling, however, are likely to be reflected in a real growth rate this year of 1.8 per cent, down from 3.5 per cent in 1985.

For 1987 the prospects for the non-oil sectors of the economy are little changed, but lower oil production may push the pace of overall growth down to 1.4 per cent. The institute says that on the basis of the public borrowing target for 1988-89 in the Treasury's medium-term financial strategy there is no room for any tax cuts in the March 18 budget and in theory could be a requirement for increases.

It adds, however, that the Government should be prepared to loosen its fiscal policy to take account of lower oil revenues.

The main constraint on such an attempt would be an additional weakening in the current account of the balance of payments, but after six years of surplus that would not be an immediate cause for concern. It argues against any move to finance cuts in income tax through higher excise duties on petrol,

which it says would leave the level of demand in the economy almost unchanged while raising the inflation rate.

On unchanged policies, the review predicts that the current account will remain just in surplus this year, before moving into a deficit of £1.9m in 1987. It remains pessimistic over the outlook for unemployment, suggesting that the number of adult jobless will remain at well over 3m this year before edging down only fractionally to 2.8m in 1987.

It is more optimistic, however, on the prospects for inflation. The increases in import prices resulting from the fall in sterling's value since the beginning of this year should be offset by lower oil prices.

Retail price inflation, currently running at an annual 5.5 per cent, could hit a low point of below 4 per cent in the middle of the year before edging up fractionally in the fourth quarter. The institute says that the fall in the exchange rate was an appropriate and almost inevitable result of lower oil prices.

It does not follow, however, that the Government should be prepared to leave the extent and timing of such adjustments to the financial markets. "A more systematic targeting of the exchange rate by the authorities, perhaps with the exchange rate mechanism of the European Monetary System, might give greater stability and reduce the risk of speculative overshooting," the Review says.

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Oil price fall a stimulant to world trade

THE STEEP fall in the oil price will result in a major transfer of wealth to industrialised countries which should result in a quickening of the pace of economic growth next year.

At the same time, cheaper oil will put further downward pressure on inflation and provide a

boost to world trade. The annual rate of increase in consumer prices across the world economy should fall to 3.5 per cent this year, from 4.6 per cent in 1985.

Japan and West Germany will be among the main beneficiaries of lower oil prices and the D-Mark and yen are expected to

continue to appreciate against the dollar.

The implication is that for the immediate future the imbalances in the three countries' trade balances will worsen as West Germany and Japan benefit from improved terms of trade. By 1987, however, the US share of world exports should begin to rise as a

result of its improved competitiveness, while those of Japan and West Germany are forecast to fall.

World trade should rise by around 5 per cent in 1988 and by a little more in 1987, compared to growth of around 3.5 per cent last year.

SUMMARY OF FORECASTS

Year	UK ECONOMY					WORLD ECONOMY		
	Real GDP (% change year on year)	Manufacturing (% change year on year)	Unemployment (million '04)	Retail price index (% change Q4 on Q4)	Current balance (£bn)	Real GDP (% change year on year)	Consumer prices (% change year on year)	World trade volume (% change year on year)
1984	2.0	3.0	3.10	4.8	1.1	4.8	5.3	5
1985	3.5	2.0	3.17	5.5	3.5	5.5	4.8	3.5
1986	1.8	1.2	3.03	4.0	0.2	5.2	2.9	5
1987	1.4	1.0	2.91	4.5	-1.9	12.1	3.6	5.5

\* Output measure

Labour risks damage in action on Militant

BY MARGARET VAN HATTEM

LABOUR's national executive committee today returns once again to the dilemma posed by the Militant Tendency, the extreme left-wing group. It is a dilemma of presentation, but none the less important for that.

If, as the team investigating Militant's activities in Liverpool is recommending, the NEC dissolves and rebuilds the Liverpool party and opens procedures likely to lead to about 10 expulsions, it risks reviving the internal squabbling of the past. If it fails to eject the leading Militant members from the party, it risks being regarded by voters as being in the grip of extremism.

Either way, the party's image risks being damaged too close to the next general election for comfort. The party leaders appear to have judged that the gains in public standing to be made from the expulsion of the Militant leaders far outweigh the losses that will result from the subsequent left-right clashes.

But their judgment, again, appears based entirely on criteria of

perception and presentation - so this is where Militant's biggest impact has always been. The Militant Tendency is a rigid Trotskyist faction, a relic of the revolutionary Socialist League of the 1940s, which for years operated on the fringes of the Socialist movement, particularly in Liverpool.

Once described by a left-winger as "the Mormons of the Labour Party - decent enough, but a bit odd," they are regarded on the far left as harmless flat earthers, with an uncompromising devotion to the writings of Trotsky, on the right they are seen as dangerous revolutionaries.

Militants might have been quietly building within the Liverpool party for many years. However, the successes of a small group in taking the lead of the City Council and pushing it to the financial brink seem to have proved self-defeating. The three best-known of the Liverpool Militants - among them Derek Hatton, the Liverpool Council leader - are all on the list for candidates for expulsion.

Registration plan for insurance sales

BY ERIC SHORT

THE MARKETING of investments Board Organising Committee (Miboc) has announced the marketing of investments of investor protection, yesterday published revised proposals to operate a system of registration for life assurance and unit trusts salesmen.

They represent a modification of Miboc's proposals made last August for a licensing system for salesmen, taking into account the Financial Services Bill and the responses to the earlier proposal.

Miboc originally proposed a full licence with two examinations before a person could qualify to sell life assurance without supervision. The Financial Services Bill envisages that it will be the responsibility of the company as a condition of being authorised to transact investment business, to ensure that employees are properly recruited, trained and supervised.

The bill would also make the employer responsible for the employees' actions, and if they misbehaved, it would normally be the firm that would be subject to disciplinary action by the supervisory board or the Self Regulatory Organisation (SRO) envisaged in the bill.

However, Miboc's view has been that for life assurance and unit trusts sales it is necessary to regulate individuals as well as companies. Its chairman, Mr Mark Weinberg, has pointed out that the numbers involved make disciplining of firms impossible.

About 15,000 firms are involved in marketing life assurance, many of them sole traders or small partnerships, covering 100,000 full-time salesmen and a similar number of part-time salesmen.

Mr Weinberg said it would take time for the board or the SRO to check the competence levels laid down by each company for its employees.

The proposals' main aim is to ensure a minimum level of competence of salesmen and to ensure that salesmen are honest in their dealings with the public.

The proposals would operate as follows: An authorised business would not be able to permit an employee to sell or advise on life assurance or unit trusts unless that person was registered with the board.

Only persons meeting the standards of competence and whose employers were satisfied with their standard of probity would be eligible for registration.

The board would set a common minimum standard with a test of competence to ensure a minimum level of financial and investment knowledge. It would be prepared to accept outside tests of equivalent standard.

A comprehensive central register of salesmen would be maintained to enable employers to obtain an authoritative record of an individual's employment history as a life assurance and unit trust salesman.

The proposals would apply to all salesmen. Those selling for at least six months prior to the proposals coming into force will have three years in which to pass the competence test.

Employees with less than six months' experience will have to pass the test and become registered.

Mr Weinberg stated that Miboc's proposals had two objectives. It would ensure that no-one could sell or advise on life assurance without showing a minimum level of expertise. It would also stop the use of untrained persons learning life assurance by trial and error, and using part-time and moonlighting salesmen.

He asserted that the system would not involve heavy costs of operation. On the direct costs of registration, Miboc envisaged a £20 initial cost of registering an employee with a £10 annual fee. The cost of taking the test would be a further £10.

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TECHNOLOGY

Through a radical change in design policy Hewlett-Packard hopes for better value from development spending, reports Louise Kehoe  
**Building in benefits right across the range**

CONSIDERING the dazzling speed of change in their industry, computer manufacturers can be remarkably conservative about some aspects of their business. Above all, most have long tended to be cautious about altering the architecture, or set of basic designs, at the heart of their machines.

However, Hewlett-Packard (HP) of the US has broken boldly with tradition by announcing that it is switching over to a radically new type of architecture which will be used as the basis for virtually its entire product range in future.

The new architecture, which is intended to make HP computers more powerful, more reliable and less expensive, is critical to the future of the company, not that half of whose 1985 turnover last year came from computers.

The programme to develop the new architecture is the biggest in the company's history. It was started five years ago and is believed to have cost more than \$100m, though HP will not disclose exact figures.

Yesterday, HP unveiled the programme's first fruits: two high-performance microcomputers incorporating the new architecture, which is code-named Spectrum.

They are intended as the top end of the company's HP 3000 product line, which is widely used for office automation. They are, respectively, two and three times more powerful than the models they replace.

Two further powerful Spectrum-based machines—an engineering and technical modelling computer, part of the company's HP 9000 line, and a computer-integrated manufacturing

system — are due to follow around the middle of this year.

In the next few years the company aims to make Spectrum, recently renamed HP Spectrum, the only architecture standard throughout its product range, from workstations to large minicomputers as powerful as small mainframe machines. The only exceptions will be its personal computers.

The new architecture is based on a concept known as the Reduced Instruction Set

architecture (RISC), which enables data to be processed much faster by designing computers which use fewer and simpler instructions to perform a set of tasks.

RISC was pioneered in the early 1970s by International Business Machines. But until now, it has been used only on one IBM model, an engineering workstation launched last month, and by a handful of other smaller, specialised manufacturers.

HP is staking its strategy on the hope that, by becoming the first company to apply RISC to general purpose commercial machines, it can gain a valuable lead over competitors, including heavyweights such as IBM and Digital Equipment and a host of smaller rivals.

"What you find yourself competing against world class gorillas you cannot be a passive big game hunter," says Mr Richard Alberding, HP's executive vice president of marketing. "You have to build an aggressive inventory of weapons and use them."

HP says that its Spectrum-based computer will offer substantially better performance at lower prices than comparable products available from other manufacturers. For example, it plans to sell a machine able to process 4.5m instructions per second (mips) for \$225,000, against \$400,000 for IBM and Digital Equipment models with equal power.

Moreover, HP says that programs designed for use on its existing minicomputers will also run on the new machines—a crucially important factor for customers, whose investments in software are often worth many times the value of their computers. HP has achieved this by "emulating" older computer designs on its new machines.

The new approach is intended to yield benefits for the company, too. By standardising the architecture of its computers, HP expects to be able to apply the results of future research



First fruits of Hewlett-Packard's new computer architecture programme, the HP2000 Series 930 launched yesterday.

and development spending across its product range, instead of having to divide its efforts between the three main types of architecture it uses today.

"That has been one of the major appeals of the Spectrum programme," according to Mr Dean Morton, HP's chief operating officer. "Essentially all our computer development resources for the future will be going in the direction of the Spectrum architecture."

However, that does not mean that all HP's computers will be similar. "We don't want a vanilla ice cream approach," says Mr Alberding. Instead, different "flavours" will be created by using various operating systems and hardware configurations.

HP plans to offer products

known as "co-processors," chip sets which can be attached to its computers to equip them specially to do particular tasks. In future such products are expected to include a graphics processor and a "floating point" processor designed to handle large numerical computations.

The basic architecture can be implemented in a variety of different semiconductor technologies. The first spectrum model, the Series 930, uses a well-tried technology known as transistor-transistor logic.

In the second half of next year, HP will launch a machine using the company's own NMOS technology, developed five years ago. Eventually, the Spectrum design will be reduced to a very large scale integrated (VLSI) chip.

**Best way forward is found in a return to basics**

"WE ARE returning to simpler times. Computer architecture is becoming practical again," is how Mr Michael Mahon, manager of Hewlett-Packard's systems architecture laboratory and an original member of the Spectrum programme team sums up its achievement.

During the past 20 years, he argues, conventional architectures have lagged behind advances in technology. But Spectrum, by taking full advantage of innovations such as high-speed integrated circuits, is claimed to make computers faster, more efficient, more reliable and easier to design and build.

The programme team, based at HP's research centre in Palo Alto, California, set out on its mission by analysing the inner workings of existing computers, an area about which surprisingly little is understood. "In the past, most computer architectures have been directed by taste and judgement—not by data," says Mr Mahon.

By analysing the functions of a computer cycle by cycle, HP scientists confirmed earlier research suggesting that computer actually use only a small number of their instructions,

about 20 per cent, for 80 per cent of the time.

This is largely a result of the technical constraints imposed on earlier computer designers, who had to find clever ways to get round the limitations of the components used to build the machines.

The development of the transistor and the integrated circuit in the early 1960s radically changed some aspects of computer technology. But while these devices speeded up the logic circuits used to process data, designers still had to contend with the ferrite core memories then used to store

data, which operated much more slowly.

In an effort to solve this problem, designers developed complex instructions, the purpose of which was to minimise the computer's need to gain access to the memories.

Since then, of course, semiconductor technology has also been applied to memories,

enabling them to work much faster. But instructions, written in a series of binary digits called microcode and embedded in computers by their designers, have continued to multiply.

In effect, RISC architecture turns the clock back by reducing the number and complexity of instructions.

Mr Mahon describes the difference by comparing instructions to the keys on electronic calculators. All such machines have basic keys to add, subtract, multiply and divide. But most do not stop there; they also have keys to calculate percentages and square roots and for other special functions.

The RISC computer is like a basic calculator, while conventional computers are like more complicated models. In a RISC machine, the architecture contains no extensive coded instructions in microcode.

"Over a broad range of applications and technologies, RISC architecture is seven to 13 times faster than a conventional architecture," says Mr Mahon.

"This is incredible, that is an engineering imperative—something you have to do. That is why I believe there is no resisting RISC. Eventually, everyone will come round to it."



**Surge in Japanese research spending**

JAPANESE innovation will increase markedly over the next few years according to Datquest, the market research firm.

Between 1984 and 1988, at least 75 basic research laboratories will be opened by the country's electronics industry, on which \$1.9bn to \$2.5bn will be spent according to Datquest.

Most leading edge technologies will be investigated, from very large scale integration for computer "chips" to expert systems which attempt to encapsulate segments of human expertise in a computer system. The Japanese are also likely to attack computer aided design, which they have barely tackled so far.

Datquest's Japan industry specialist, Mr Sheridan Tatsumi, decries the persistent Western belief that the Japanese are good imitators but poor inventors.

He says that although for many years Japanese industry has been strong in manufacturing but weak in innovative research, "this situation is changing rapidly. He thinks that to remain internationally competitive, western companies must continue investing heavily in R & D and improve their manufacturing abilities at the same time."

BRITISH "TECHNOFEAR," which some believe is traceable to the educational system, could stem from a move by the Institution of Electrical Engineers to bring its members into much more contact with schoolchildren via "Project Upset."

At the request of schools, the IEE's "Upset" will provide engineering contacts and skills available. Professional engineers will work in the classrooms under the guidance of regular teachers, putting their industrial and commercial experience at the disposal of the pupils.

At the same time, it is hoped that links with industry will be formed, helping them to understand what is going on in education. The IEE is on 0462 5231.

COMPUTER-AIDED design and manufacturing capabilities are available from the newly formed CAD-CAM Data Exchange Technical Centre operated by University of Leeds Institute Services (0532 48586). The emphasis will be on user interchange of CAD-CAM data between different makes of system.

Forty-four companies, the Department of Trade and Industry and the National Economic Development Office are funding the unit, the overall object of which is to improve the competitiveness of UK industry through better use of computing in design and manufacturing.

**WORTH WATCHING**

EDITED BY GERT CHARLSON

RBC CEEFAX, the on-screen text and number information service provided free to viewers with suitable TV sets, has been speeded up.

The data, broadcast sequentially frame by frame, is now transmitted on six TV picture lines instead of four (out of eight at the top of the picture). Special circuits in the TV set decode the digital data and display it on demand when the viewer keys instructions on his pad. With the new, higher data rate, viewers will have a shorter wait for the requested frame to appear.

COACH TRAVEL might become more acceptable to those who would rather not be forced to hear the sound track of a video they have already decided they would rather not watch.

Varitel, a Tewkesbury, Gloucestershire electronics company, already has orders worth over \$0.5m from the National Bus company and others for a cordless headset system that distributes the video sound from a low power radio transmitter in the coach.

There are no wires, making both installation and maintenance cheap and simple. Passengers can move from seat to seat unimpeded. Called Silent Sound, the system costs about \$2,750 for a 59 seat coach. More on 0422 28770.

STRAWBERRY LIFE on the shelf can be extended to seven days using an improved version of "modified atmosphere packaging" developed by Keyes UK of Cobham, Surrey (02326 0811).

Normally, this technique is confined to retail packs of fresh fruit and vegetables that do not "breathe heavily" and where low permeability films like polystyrene and PVC work well, allowing sufficient exchange of gases in and out of the pack.

But high respiratory, and therefore highly perishable products like beansprouts, mushrooms and soft fruit, are different. While ripening they absorb oxygen and emit carbon dioxide to an extent that causes rotting and tainting inside the pack.

For these, Keyes is offering a specially coated, moulded pulp fibre container with a highly permeable lid produced by Buxley Flex-pack. There is a good two way flow of gases and water vapour, maintaining high oxygen content in the pack, preventing deterioration and retarding ripening if the storage temperature is kept under 5 deg C.

**April Fool's Day isn't funny this year.**

From the first day of April initial capital allowances are being reduced from 50% to 25%.

So, for almost any capital investment made after that, tax allowances will be reduced by half. So, what do you do? Well, unless you actually enjoy paying tax, you accelerate your capital investment programme forward, before April 1st.

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Basically, if you buy before April 1st with our help, you could benefit directly from the 50% first year capital allowances.

If you lease, we pass on the benefits of the 50% first year capital allowance

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

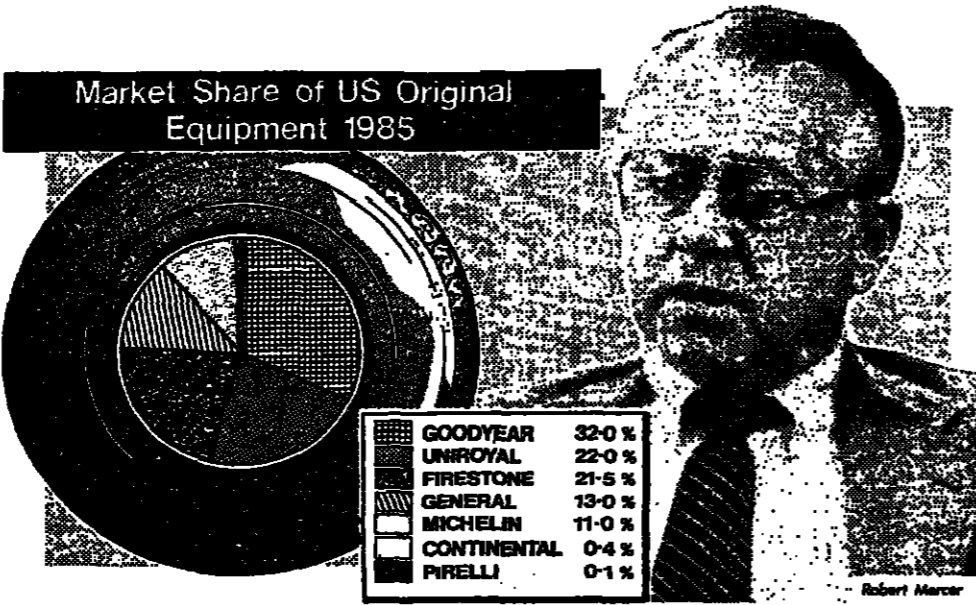
"I BELIEVE," says Robert Mercer, chairman of Goodyear, "that there is going to be a shake-out in the tyre industry. Those companies that are not willing to put up front money into research and development will not survive as a major factor in the industry."

As head of the biggest tyre company in the world, Mercer's sentiments are not altogether surprising. Over the last decade or so, Goodyear has been picking up market share steadily in the US as the industry has gone through a streamlining process that has caused a great deal of pain to many of the company's traditional rivals. Mercer, brusquely impatient with the current Washington fad in favour of small business, regards this as a natural use of the market muscle of a large corporation. The US's success as an industrial nation depends, he says, on its ability to bring substantial resources to bear on the development of new products while investing in the very latest manufacturing processes.

So far so good and predictable. But Goodyear differs from many of the mature corporations of the American heartland by carrying the analysis a step further. The streamlining of the industry is not just an American issue, he says. "The world has opened up. We consider ourselves to be a global company now, not a multinational corporation, and that has implications for how you plan your product line and how broad your technical base has to be."

Mercer is deeply critical of the large US corporations that have failed to make this conceptual switch and have stuck too long to an egocentric American view of the world. The steel companies, he says, are a particular case in point. By failing to invest at the right time, their costs were allowed to rocket while their technological base was eroding — comments that are rooted in experience. When Goodyear wanted to buy steel pipe for its planned transoceanic oil pipeline from the Californian coast, it had to go overseas to find it.

Goodyear's own "globalisation" process began in the early 1970s. At that time, the notion of designing products for a single world market was in its infancy, and it did not attract universal support within the group. The coming of radial tyres was the first test. Since the Detroit car manufacturers had not demanded radials, and the suspension systems of most American cars could not accommodate them, many people in the company did not think there was any need for them. "Chuck Pilliod our chairman



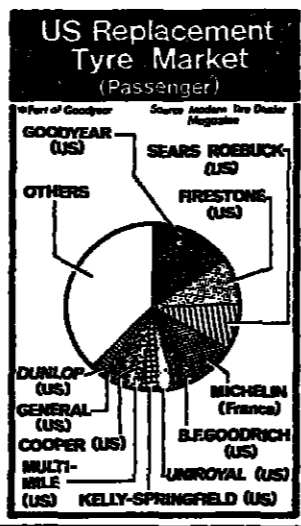
Goodyear steers a global course

Terry Dodsworth on the US tyre group's research-based strategy

at that time, who had grown up in the international division saw that the radial tyre would migrate to the US," says Mercer. "He said we were going to have one because one day it would be here, and one day someone started asking for it. It would be too late to start developing it. He had the foresight and the vision and the dogged determination to pull the thing off."

Since then, Goodyear has applied itself in earnest to the tricky task of co-ordinating product development across a variety of markets. The target, as Mercer puts it, is to adapt to "a United Nations of suspensions," planning tyre innovations so that even if the products are not entirely the same in each country there will be an appropriate Goodyear design to match any vehicle.

This approach has become even more important as car exports criss-cross the globe. Tyre manufacturers wanting to pick up replacement sales cannot afford to keep vast inventories to satisfy every quirk or taste. The key, says Mercer, is "to find the common features in the requirements of different models and develop a tyre that will service both."



To make the readjustments, Goodyear has reorganised its research and development unit into two technical teams, one in the US, and the other in London. Soon there will be a third in the Far East. Executives are moved back and forth between the two to keep in touch with the latest developments. "We had to stamp out

the 'not invented here' syndrome," says Mercer.

Goodyear's global market concept has also pushed it into the vanguard of the change in manufacturing thinking that is conquering more and more of basic US industry. The company has moved towards a much more participative style in its factories, shedding several layers of supervisory and middle management — about 33 per cent of its management personnel has been eliminated in 10 years — and has tried to improve quality by bringing the workforce more directly into production line decision making.

"Society has changed," says Stan Mihelick, executive vice president for production. "Workmen today are more educated than in the past, so they are more flexible and receptive to new ideas."

These initiatives in manufacturing have gone hand-in-hand with heavy investment in the latest technology. Goodyear, borrowing from Michelin, which guards its technology so tightly that few executives have a complete view of all its manufacturing processes, will not say very much about the system

that it is installing in its latest plants but the new machinery, much of it made by Goodyear itself, is clearly highly automated and has required big changes from the company workforce which, in the case of some of the latest investments, has agreed new, more flexible work rules and some wage and benefit concessions.

"Some processes have changed entirely," says Stanley Somo, the United Rubber Workers' Union co-ordinator at Goodyear. "If you were in the industry 15 years ago and you went into a plant today, you would be very confused."

The aim of the new investment, says Mercer, is to achieve product uniformity and lower costs. Both of these objectives are ways of undercutting the advantages flowing from the lower labour costs of overseas competitors — South Korean wages, for example, are reckoned to be about one-tenth of those carried by the US tyre manufacturers. As investment goes up and the labour content in a tyre goes down, wage rates ought to be less of a determinant of the success of the product and the design and quality — or uniformity — become more important. "Korean tyres are overweight and they have twice as many components as ours have," says Mercer.

Goodyear knows, however, that the threat from the Far East will not go away. Despite increasing its market share worldwide over the last few years, it believes that its position has slipped in parts of Asia. This explains the decision to invest in a technical centre on the doorstep of the Japanese and South Korean manufacturers "to see what they are doing."

In the immediate future, Mercer believes that the shake-out will increasingly focus attention on three leading worldwide manufacturers — Goodyear itself, which currently holds around 22 per cent of the world market, Michelin (13 per cent) and Bridgestone (8 per cent). Of the two competitors, he admires Michelin for its product innovation, but he clearly believes that Bridgestone has learned the lessons of the global market place more thoroughly.

He cites the example of the Goodyear all-season tyre, which was introduced in 1970 but was ignored by Michelin for seven years. "If Michelin did not invent it, it does not exist, whereas Bridgestone will adopt any idea if it thinks it is a good one."

Appeal for a clearer stance on management training

Hazel Duffy on a Manpower Services Commission initiative

WITHIN the next few years, a bunch of better-trained, highly motivated young people will be entering the doors of British industry and commerce, brandishing their new-found certificates of competence. Most of them will be met by a bunch of managers who have never been trained for the job they are doing.

This was the daunting prospect held out by Geoffrey Holland, chairman of the Manpower Services Commission, to a conference earlier this month organised by the British Institute of Management. He was preceded by Paul Channon, Trade and Industry Secretary, who quoted frightening figures showing that 70 per cent of managers have received no training for the jobs they are doing, and only 2 per cent have a business qualification. Not surprisingly, Dr John Constable, director general of BIM, told the conference that it was time that Britain began to clear up its management education muddle.

The MSC's main role has always been the training of youngsters. It made its debut in the area of management development last year, setting up some 40 projects inside companies which focused on training managers by addressing a particular problem that they were experiencing.

For example, a fast-growing packaging company is diagnosed as having an acute need to achieve better resource utilisation. Management recruitment had not been planned; management systems had not been reviewed; co-operation between departments was poor. Consultants were called in to identify training needs, a training process was set up, mostly concentrating on middle management but with the backing of top management, the programme taking place over eight weeks. The conclusion: "a worthwhile start," decided the company. Holland's plan is to go much further by creating national awareness of the lack of training for British managers, compared with their counterparts in competitor countries.

Despite spending 20 to 25 years grappling with the issue of providing management

education, Britain has yet to formulate a "highly effective approach," according to Constable. In the US, about 25 per cent of undergraduates read business, and the annual output of postgraduate MBAs is around 70,000. This is the American way.

In Japan, the employer rather than the educational system has responsibility for management training, where the "lifetime employment" concept in large companies helps to justify the employer's investment. Germany does not adopt an elitist approach, creating 55 Grandes Ecoles in management, with an output five times that of British postgraduate management education.

Stimulate

Britain has taken a little bit of each without producing a "distinctive approach," says Constable. The BIM, working with the Institute of Personnel Management and the MSC, wants the approval of the Education Secretary Sir Keith Joseph, and Paul Channon to common terms of reference which will stimulate a debate on the problem in the business world and produce — quickly — a way out of the muddle.

An example of an area where Constable would like to see progress is the present lack of co-ordination between universities and polytechnics and colleges of higher education. One solution might be a revival of an old idea for setting up regional "centres of excellence." One educational institution would be nominated as the leader, with responsibility for forming a management education centre; the others would co-ordinate their research and efforts around the lead institution.

Now that the MSC's Youth Training Scheme is in place, and reform of technical vocational qualifications is in prospect, the paucity of adult

training and re-training in Britain is crying out for attention. Included in this area of neglect is management development and training, to which, as yet, there is no serious commitment, says Holland.

One possible outcome of the management training debate on which the BIM—with the backing of the Confederation of British Industry—wants to start would be a basic qualification for all managers; a certificate of competence which would have to be up-dated during the course of "closed shop" which would not be at all popular. But training and assessment of competence in certain basics, such as finance, human relations and marketing, might be seen as highly desirable for people who will be managing the emerging breed of trained youngsters.

Training courses lasting a few weeks would be required for updates of professional competence—they could take place within the company just as well as in business schools—the important point being that they would have to cover "every manager, at every level, in every company," says Holland. The MSC chief put up 10 propositions to the BIM conference designed to achieve this target over a 10-year period. The responsibility would lie with companies, but with guidance and support to be given by the trio of organisations.

To gain national acknowledgement of the need to improve management training, a definitive study with a guaranteed wide circulation is probably needed. A precedent was set by the report for the MSC and the National Economic Development Council which compared vocational education in Britain with West Germany, the US and Japan. A similar study of management training would seem to be called for. "Competence and Competition, 1984. Study carried out by the Institute of Manpower Studies.

AT&T and Philips Telecommunications

1984 was the start of an exciting company.

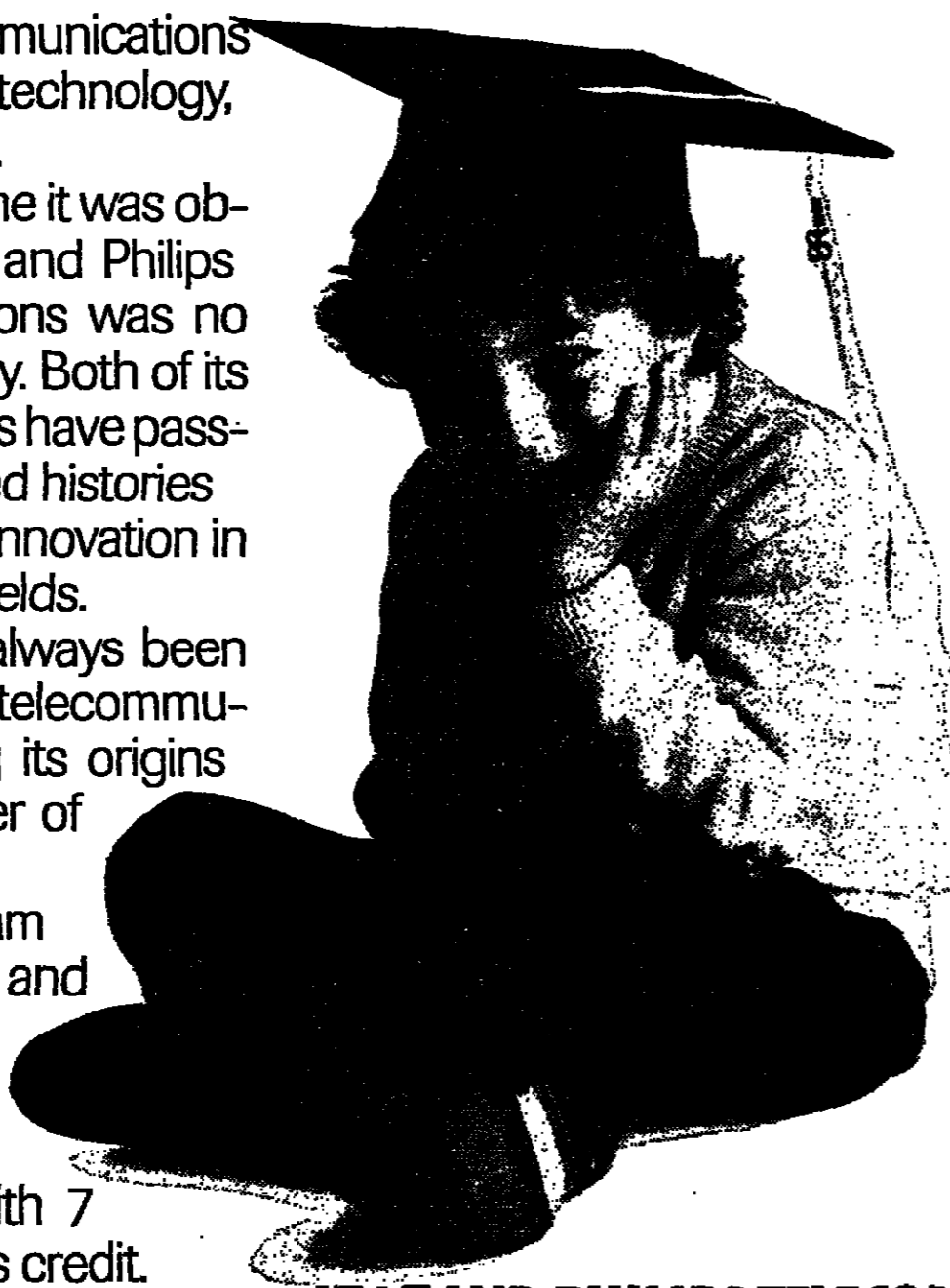
A child born out of the marriage of two of the world's most respected names in telecommunications and electronics technology, AT&T and Philips.

From day one it was obvious that AT&T and Philips Telecommunications was no ordinary company. Both of its parent companies have passed on unparalleled histories of technological innovation in their respective fields.

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the transistor was invented. One of the greatest revolutions in the history of electronics. In 1962 they entered the space age with the launch of Telstar, the world's first communications satellite.

And 1965 saw the introduction of the Electronic Switching System, still recognised as a major breakthrough in telephone communication technology.

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techniques. It is pioneering new industry standards for optical fibres and transmission systems. It all goes to show that although AT&T and Philips Telecommunications is the world's youngest telecommunications company, it is also the most experienced.

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FINANCIAL TIMES BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF...

Deliverance in Manila

THE FALL of Ferdinand Marcos in the Philippines with its outcome the world wanted but hardly dared hope for...

Trauma can still occur, but so far the removal of Mr Marcos from power has been an extreme example of the democratic process at work...

What were the ingredients in this improbable outcome? The Filipino people moved from apathy into a unique blend of fervour and self-restraint...

Time for action on education

THE AIM of the Prime Minister's education policy talks with industrialists and academics this week could be summed up as follows: "Education is an important factor in securing technical change..."

It is a creditable aim even though education's value reaches beyond service to the economy. But the fact that it is still an aim stands as a rebuke to the Prime Minister's education policy...

Vouchers The central problems preventing effective change persist even though the successive Secretaries have perennially claimed that solutions are just around the corner...

BRITAIN'S BUS INDUSTRY Mr Ridley drives on despite the doubters

Mr Ridley, one of Mrs Thatcher's most radical ministers since his rift with the Heath government's interventionist industrial policies...

Mr Ridley is convinced that the bus industry, which has seen its market share dwindle in the face of competition from cars, will be invigorated by the Government's policy of deregulation, privatisation, and fragmentation...

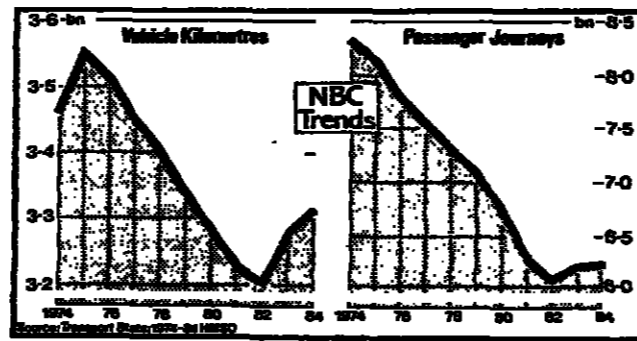
Routes will be thrown open to competition from all-comers. NBC county subsidiaries, many formed in 1965, will be split up and denationalised...

The White Paper on buses which preceded the Act stated that "Britain needs good bus services." Over 10 per cent of all individual journeys are by bus, three-quarters of them for essential reasons...

Most bus passengers are not fussy about who provides the services, as long as they are punctual, comfortable and fairly cheap. Aiding their indifference is the industry's generally poor image...

Mr Ridley drives on despite the doubters

By Andrew Fisher



recall being drenched, frozen, or simply frustrated while waiting for buses that were late, cancelled, or over-crowded.

The Government hopes this will promote innovation in the range and type of bus services provided—taxi and mini-buses are also encouraged under the policy—

Local authorities will have a fundamentally different role. No longer will they have a duty to co-ordinate passenger transport, though they can still subsidise unprofitable services...



En route to privatisation—Mr Robert Brook, chairman of the National Bus Company.

Because the sale will not be large by the standards of privatisations such as British Telecom or Britoil, the Government can afford to put competition before price.

There are several thousand bus operators, as well as the large municipal Passenger Executive in big towns and cities. It would not be the privatisation of a monopoly...

Mr Brook adds that the Government will certainly obtain a lower price for a group split up before sale. When it looked as if NBC would be disposed of in one of more large units...

the same treatment. Associated British Ports, for example, which runs 19 ports, was privatised as a single company.

For the NBC managers, privatisation could prove both challenging and traumatic. "You're suddenly going to pitchfork a lot of good, basic line management people into a very hard commercial world..."

Involvevement by City institutions is likely to be small though Bankers Trust has been asked by the Government to see if syndicated medium-term financing can be arranged.

Other operators can still register this month to run any routes after October. If they think they can manage without subsidies, the present county council contracts run until the end of April, 1987.

Clearly, with such changes facing the industry, there will be a new wave of restructuring of routes to serve people best. "Transport has to be very much an integrated industry," says Mr Long.

Who is right? Freeing buses from restrictive licensing is one thing, but the shake-up could be so violent as to unsettle passengers and weaken the industry. Says United Counties' Mr Tate: "It is far and away the most significant change we are likely to have in our working lives."

Bankers prize their options

A number of key executives in Morgan Grenfell have a keen personal interest in the progress of the proposed takeover of the bank by the cash-rich Exco International.

Large numbers of share options have been spread round the upper echelons of the Great Winchester Street establishment...



Men and Matters

men, not counting any appreciation on other shareholdings. Certainly it would be a good deal for the bank's chairman and chief executive Christopher Reeves who at \$9 a share would own some \$10 million worth of shares.

But elsewhere the benefits may be spread more thinly given that the bank had more than 50 directors at the last count.

Texas bulldog

Everything from hats to egos is magnified in Texas, so it is not surprising to find a general Burleson, the genial Texan in charge of American Medical International's big push into Britain's private, for-profit hospital sector...

Bryan's break

The sale of Eastern Airlines to Texas Air will put the Miami-based company's highly unionised workforce into the hands of Frank Lorenzo, the bete noire of the airline unions throughout America. Yet an odd twist to one of the most traumatic struggles for survival in the industry...

Clean hands

Eddy Shah, who next week launches his new national daily newspaper, today, yesterday explained his views about newspaper economics, the printing dispute, the annual conference of the Institute of Directors in the Albert Hall.

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Advertisement for office space on Liverpool Street, London EC 2. Text: "When you realise how few new City office buildings there are available of 35-50,000 sq ft you'll want to know more about NUMBER 1 LIVERPOOL STREET LONDON EC 2". Includes contact info for Debenham Thwson & Chinnocks and Howell Brooks.

Observer



BID TO REVIVE BIOTECHNOLOGY PACT COLLAPSES

Volvo and Fermenta call it off

BY DAVID BROWN IN GÖTEBORG. VOLVO and Fermenta yesterday cancelled their planned Skr 4.5bn (\$817m) co-operation pact, aimed at restructuring the Swedish pharmaceuticals and biotechnology industry, after three days of negotiations...

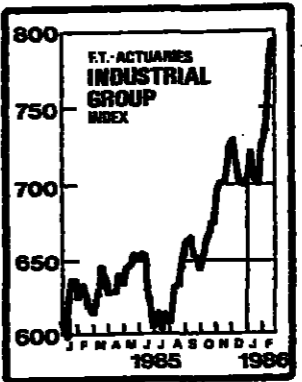
S. African gold mine faces strike shutdown

By Anthony Robinson in Johannesburg. ANGLo AMERICAN Corporation's huge Vaal Reef's gold mine complex faced a possible total shutdown yesterday after 12,000 black miners went on strike in protest at the detention by police of nine miners in connection with the killing last week of four black team leaders...

THE LEX COLUMN

Going for the quick single

It is something like 13 years since an issue of gilt-edged stock was last priced to yield less than 10 per cent, before the onset of rampant inflation brought about coupons and yields that stuck firmly in the teeth...



badly hole the dividend cover at Midland. And neither the US nor the UK markets are prepared to discount any limitation of the Mexican terms might well impale the banks on the thin ends of two quite large wedges...

Unionists ease line on Ulster talks

By Margaret van Hattem in London. LEADERS of Ulster's Unionists - who are seeking to preserve the province's constitutional link with Britain - yesterday signalled that they might drop their insistence that the recent Anglo-Irish Agreement be scrapped before they took part in talks on devolution and power-sharing in Northern Ireland...

Pulitzer Publishing rejects \$500m offer from Taubman

BY WILLIAM HALL IN NEW YORK. MR ALFRED TAUBMAN, US property developer and businessman, has offered \$500m for Pulitzer Publishing, the family-controlled publishing empire founded by the late Joseph Pulitzer, one of America's legendary newspaper tycoons...

cent battle for control of the Detroit-based Evening News, says he has seen at first hand "what happens when a family-owned media business fails to take into account the divergent interests of succeeding generations until it is too late...

Management finalises finance for Land Rover buy-out bid

BY PETER RIDDELL AND KENNETH GOODING IN LONDON. EXECUTIVES of Land Rover, part of BL, the UK state-owned vehicle group, who hope to organise a management buy-out of the company yesterday completed arrangements to raise the necessary finance and placed firm proposals with BL's banker, Hill Samuel...

Falling oil prices 'eliminate scope for British tax cuts'

BY PHILIP STEPHENS IN LONDON. FALLING oil prices have eliminated the UK Government's scope for tax cuts in its budget next month unless it is prepared to increase its borrowing largely, the National Institute of Economic and Social Research says today...

Mexican debt

Mexico's invitation to its creditor banks to share some of the burden of producing oil in a bear market might have been timed for the reporting season of the UK clearers. Whatever terrors a 6 per cent ceiling on Mexican interest rates might hold for the market, it had largely forgotten them by yesterday...

Marley

Marley has made as many mistakes as any company in the building materials sector and last year they all came home to roost. Lower profits from all the principal divisions forced the pre-tax total down from £3.1m to £1.9m and, after writing off £13.4m below the line, Marley was left paying the whole of its maintained dividend from reserves...

Gorbachev rejects N-proposal

"In future," he said, "there should be no leaders fended off from party criticism." Mr Gorbachev added that too frequently Communist Party control turned into petty tutelage or substituted itself for local government organisations...

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World Weather table with columns for location, temperature, wind, and other weather data for various cities.

Reagan pledges Aquino backing

Continued from Page 1. that this offer would be respected and that the new Government would not seek to extradite them back to the Philippines. Mr Lazalt told reporters yesterday that he told Mr Marcos that Mr Reagan did indeed want him to quit...

Continued from Page 1. "In future," he said, "there should be no leaders fended off from party criticism." Mr Gorbachev added that too frequently Communist Party control turned into petty tutelage or substituted itself for local government organisations...



January, 1986

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INTL. COMPANIES & FINANCE

Banco de Bilbao lifts earnings 31%

BY DAVID WHITE IN MADRID

BANCO de Bilbao, Spain's fourth-ranking bank, has achieved a 31 per cent increase in its consolidated net profits for 1985 to Pta 19,098bn (\$132m).

Two-thirds of the group's earnings, which include 49 subsidiary banks and companies, are being used to reinforce reserves.

The parent bank, which has its shares listed in Frankfurt and London, raised its net profit by 18 per cent to Pta 13,58bn and is proposing

a dividend of Pta 140 a share, up from its last payment of Pta 125. The result came after making total provisions at parent bank level of Pta 45bn, 32 per cent more than a year ago.

Mr José Angel Sanchez Astain, chairman, attributed the earnings growth to the bank's success in cutting its financial costs. He said that the current year "also has to be good."

The bank increased the propor-

tion of low-cost deposits and expanded its lending activity by 8 per cent. Operating profits, which reached 1.7 per cent of average assets, showed a rise of 32 per cent to Pta 52.8bn, which Banco de Bilbao said was the largest of any Spanish bank last year.

The improvement came despite a relatively modest growth of 5 per cent in customers' deposits to Pta 1,370bn.

Italian deals help lift Paris bourse

BY PAUL BETTS IN PARIS

THE CURRENT euphoria of the French bourse - the main share index has risen 15 per cent this month to extend the gain since January 1985 to 80 per cent - has been further stimulated by a series of investment transactions involving large Italian groups.

The most striking deal has been the FFr 500m (\$60m) acquisition by Mr Carlo de Benedetti of a 19.4 per cent stake in Valeo, the French car components group, through his Italian holding company, CIR. At the same time, Mr de Benedetti, chairman of Olivetti, has also bought back for about FFr 400m a 2 per cent stake in the Italian office equipment group held by CIT-Alcatel, the French telecommunications and electronics company controlled by the nationalised Compagnie Générale d'Electricité (CGE) group.

Two other transactions currently exciting the bourse are negotiations between Fiat and Matra, the French state-controlled defence and space group, and the move by Ferruzzi-Eridiana to increase its stake in Beghin-Say, the French sugar concern, from 40 per cent to close to 50 per cent.

The Fiat-Matra negotiations are now at an advanced stage and involve the merger of the car components activities of the two groups into a new combined company expected to be controlled by the large Italian car group. If the Fiat-Matra deal is completed and Mr de Benedetti confirms his intentions to become the largest single shareholder in Valeo, a predominant part of the French car components industry will come under Italian control. The two Matra subsidiaries to

be merged with Fiat's car components businesses are Jaeger and Solex which employ between them about 9,500 people.

Valeo, France's largest car components group with annual sales of FFr 11.4bn, expects to return to the black this year after two years of heavy losses and sweeping restructuring. These moves confirm a major shakeout in the French car components sector. Recently, Renault, the troubled state-owned car group, abandoned the car electronics component business by selling its majority stake in Benx to Bendix, a subsidiary of the Allied-Signal of the US.

The increase in Ferruzzi-Eridiana's shareholding in the French Beghin-Say sugar group has caused speculation that the Italian concern was now seeking to take full control of the French company. However, in a statement issued at the weekend, the Italian group and Beghin-Say claimed that the latest transaction would not change the control of the company nor breach agreements between Ferruzzi and Beghin-Say in 1981 whereby the Italians pledged they would not seek to take full control of the French group.

Ferruzzi increased its stake in Beghin-Say to 45 per cent by buying last week an additional 5 per cent stake in the French sugar concern owned by a subsidiary of Tate and Lyle, the UK sugar company.

Mr de Benedetti's decision to buy back CIT-Alcatel's 2 per cent share in Olivetti reflects the Italian entrepreneur's longstanding efforts to repurchase the French interest in the Italian office equipment company.

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EXTRACTS FROM AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1985

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1985 (Expressed in thousands of US dollars)

	1985	1984
<b>Assets</b>		
Cash and due from banks	931	1,326
Deposits at interest with banks	169,790	145,973
Investment securities	36,932	16,020
Investment in associated company	1,520	-
Loans and advances	327,261	261,688
Fixed assets	15,644	12,290
Other assets	5,929	8,608
<b>TOTAL ASSETS</b>	<b>558,007</b>	<b>445,905</b>
<b>Liabilities:</b>		
Bank deposits	328,921	215,593
Customer deposits	66,016	67,283
Other liabilities	5,514	5,731
<b>TOTAL LIABILITIES</b>	<b>400,451</b>	<b>288,607</b>
<b>Shareholders' equity:</b>		
Share capital	139,944	139,944
Legal reserve	2,505	2,475
General reserve	1,701	1,671
Retained earnings	13,406	13,208
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>157,556</b>	<b>157,298</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>558,007</b>	<b>445,905</b>

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 1985 (Expressed in thousands of US dollars)

	1985	1984
Interest income	37,164	37,976
Interest expense	(24,955)	(29,936)
Net Interest income	12,209	8,040
Other income	3,192	2,179
Total net income	15,401	10,219
General expenses	(7,076)	(6,619)
Net operating income before provisions	8,325	3,600
Loan loss provision	(8,000)	(3,000)
	325	600
Share of loss of associate	(67)	-
Net income before appropriations	258	600
Transfer to Legal reserve	(30)	(76)
Transfer to General reserve	(30)	(76)
Net income after appropriations	198	448
Retained earnings brought forward	13,208	12,760
Retained earnings carried forward	13,406	13,208

H.E. ABDUL RAHMAN SALEM AL-ATEEQI  
CHAIRMAN

K.J.A. KATCHADURIAN  
GENERAL MANAGER & CHIEF EXECUTIVE

Bahrain Middle East Bank (EC)

HEAD OFFICE  
BMB Centre, Diplomatic Area, P.O. Box 797, Manama, State of Bahrain. Telephone: 275345 (General), 276523 (Dealers), Telex: 9706 BMB BN, 9446 BMB BN (General), 9418 BMB FX (Dealers), Telefax: 251165, Cable: BMB, Reuters Direct Dealing Code: BMBB

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OCTOBER 1985

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INTL. COMPANIES & FINANCE

Regulatory boost for Bell BHP bid

BY LACHLAN DRUMMOND IN SYDNEY

BELL RESOURCES, Mr Robert Holmes & Court's Perth-based investment vehicle, yesterday received a double boost to its bid for effective control of Broken Hill Proprietary (BHP), Australia's largest company.

This came from a regulatory move which should help the flow of acceptances to the bid, and a cut in the official domestic oil price which helped widen the gap between BHP's market price and the Bell offer.

At the same time there were growing signs that union and government pressure—in part BHP-inspired—would prompt an inquiry by the Trade Practices Commission into the offer, a delaying move likely to be detrimental to Bell.

BHP shares dropped as low as A\$5.50 before closing 16 cents down at A\$6.54 yesterday. This followed the announcement of a cut in the Australian price for crude oil from almost A\$44 to A\$27 a barrel as the Government adjusted its import parity pricing structure in line with world market moves and a slight strengthening of the Australian dollar.

The cut, which applies from March 1, say 5.5 per cent wiped from the value of shares in the oil and gas index and is forecast by brokers to take as much as A\$170m (US\$119.7m) from BHP net profits in a full year.

Meanwhile, Caltex, the US-owned oil refiner and marketer, said it would suffer A\$50m of irrecoverable costs in the current half-year to June, despite government concessions designed to eliminate the impact of inventory losses.

Although the drop in the BHP share price to more than A\$1 under the Bell offer—of \$7.70 a share for 50 per cent of each shareholding—will help the bidder's cause, the biggest boost came from a National Companies and Securities Commission (NCSC) decision to allow the so-called multiplier effect to come into play.

This will allow a shareholder to accept the offer for half of the stake while allowing a buyer of the residual holding on market in turn to accept the offer for 50 per cent of these shares—and so on down the chain in a series of acceptances and sales.

This could considerably increase the number of shares tendered to Bell's offer. BHP responded angrily, saying it was astounded that the NCSC made the decision without consulting the target company. The multiplier effect would work to the advantage of the more sophisticated investors to the detriment of small shareholders, it added.

North Broken Hill share sale ordered by court

BY OUR SYDNEY CORRESPONDENT

A VICTORIA Supreme Court judge yesterday ordered that a A\$55m (US\$38.7m) parcel of shares in North Broken Hill Holdings should be sold and the proceeds given to the state Treasury.

The holding of almost 7 per cent in North is claimed by Mr Ron Brierley's Industrial Equity (I.E.), which is bidding for a 40 per cent total stake. The disputed parcel was earlier this year invested in the National Companies and Securities Commission (NCSC) by the court at the request of North.

Improvement at Sapporo and Asahi breweries

BY YOKO SHIBATA IN TOKYO

SAPPORO BREWERIES and Asahi Breweries, which rank immediately behind Kirin in the Japanese beer market, yesterday reported improved results for 1985, a year which brought a revival in consumer demand. The industry upturn after the previous year's sales slide was attributed to unexpectedly hot summer weather. Sapporo lifted pre-tax profits by 9.7 per cent to Y10,690bn (\$8.66m), topping the Y10bn mark for the first time. On sales of Y402,555bn, net profits rose 1.8 per cent to Y4.5bn. The dividend per share is unchanged at Y5.

For the current year, Sapporo hopes to benefit from a lower malt price caused by the year's appreciation. The company is also expected to complete an outline redevelopment plan for its former plant site in Ebisu in Tokyo by March or April. At Asahi, pre-tax profits surged by 14.4 per cent to Y3,270bn, with net profits of Y1,365bn, up 1 per cent from the previous year. Sales improved 5.3 per cent to Y258,360bn. Its dividend is also being maintained at Y5.

Profits ahead 86% at Sons of Gwalia

By Kenneth Marston, Mining Editor

SONS OF GWALIA, Australia's revitalised veteran gold producer, boosted net profits 86.5 per cent to A\$6.14m (US\$4.37m or £2.96m) in the first half to December. The interim dividend is lifted to 12.5 cents from 7.5 cents; the previous year's final was 8.5 cents.

Mr Peter Lalor, the managing director, says gold production for the second half should be in line with that of the first six months, but revenues are expected to increase further as a result of the forward gold sales programme.

Asiac Exploration, a small Australian gold company, has entered the dividend list with a maiden payment of 1 cent. This will absorb A\$90,000 of the net profit of A\$3,950m earned in 1985, which compares with a loss of A\$4,000 in the previous year.

Brunswick Oil has reported a first gold pour of 370 oz from its A\$11.6m Gaitze More mine in Western Australia, three weeks ahead of schedule. During commissioning the plant achieved its annual ore milling rate of 200,000 tonnes.

FIRST BANK SYSTEM, INC. US\$200,000,000 Subordinated Floating Rate Notes due 2010 Notice is hereby given that for the interest period from 26th February, 1986 to 27th May, 1986 the Notes will carry an interest rate of 8 1/2 per cent per annum and that the interest payable on the relevant interest payment date, 27th May, 1986 will amount to US\$203.13 per US\$10,000 Note and US\$5,078.13 per US\$250,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

AECI surmounts difficulties

BY JIM JONES IN JOHANNESBURG

AECI, South Africa's largest diversified chemicals group, was adversely affected by the country's economic recession in 1985, with volume sales to consumer-based industries reduced and overall trading margins remaining under pressure.

However, sales of industrial chemicals and explosives to the mining industry increased, while the rand's decline helped eliminate competition from imported plastics products. As a result, AECI's sales were more or less unchanged on the previous year, according to Mr Mike Sander, the managing director.

Turnover increased by 16 per cent to R 2,340bn (\$1.17bn), and pre-tax profits were R 162m against R 157m. Export sales increased to R233m from R 173m, purely because of the rand's external weakness.

The group's explosives monopoly will end in the second half of this year when Sasol, the state-financed oil-from-coal manufacturer, brings explosives manufacturing capacity into production. Mr Chris von Solms, who heads AECI's explosives division, is confident the company will cope effectively with the new competition. AECI itself is hoping to compete against Sasol in the synthetic fuels market. Proposals for the construction of a R2.5bn plant producing petrol and diesel fuel were presented to the Government late last year. Mr Sanders says that the technical processes incorporated in the project are well proven. However, the proposed plant will, like Sasol, need assistance from the state if it is to be financially viable.

Earnings per share rose to 74 cents from 72 cents and the total dividend has been maintained at 55 cents. AECI's largest effective shareholder is Anglo American Corporation, ICL, the British chemicals group, has a 88 per cent effective interest.

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Toyota South Africa in the red

BY OUR JOHANNESBURG CORRESPONDENT

TOYOTA South Africa, the country's largest motor manufacturer, was pushed into the red in 1985 by a combination of lower sales, higher foreign exchange losses, a lower operating profit and a higher interest bill.

Operating income was cut to R37.9m (\$19m) from R34.5m the net interest payment quadrupled to R27.6m and the foreign exchange loss increased to R53m from R32.8m. As a result, a final dividend has not been declared. There was an interim dividend of 25 cents. In 1984 earnings per share totalled R1.35 and a total dividend of R1.60 was declared.

Sales of vehicles by the motor industry as a whole fell by almost a quarter in 1985 because of high rates, higher prices and the Government's austerity measures. Toyota's vehicle sales dropped by 15.4 per cent to 85,093 units.

There was a per share loss of R13.38 last year and, as a result, a final dividend has not been declared. There was an interim dividend of 25 cents. In 1984 earnings per share totalled R1.35 and a total dividend of R1.60 was declared.

Toyota South Africa has no equity links with the Japanese company of the same name but is controlled indirectly by Anglo American corporation, South Africa's largest mining and industrial conglomerate.

Sembawang sees upturn

BY JOYCE QUEK IN SINGAPORE

SEMBAWANG SHIPYARD of Singapore expects a gradual improvement in operating performance for 1986 after extraordinary provisions dragged it further into the red last year.

After write-offs totalling S\$52.9m (US\$24.7m), largely in fleet depreciation, the net loss widened to S\$47.3m against S\$9.9m.

The figures masked a second-half recovery that brought improved turnover despite poor market conditions. This, coupled with cost reduction measures, returned the ship-repair business to profitability.

However, depressed freight rates left the shipping division with after-tax losses of S\$8.5m compared with S\$7m.

Benguet slides into deficit

BENGUET CORPORATION, one of the major copper and gold producers in the Philippines, lost P68.5m (\$5.78m or £4.43m) in 1985 compared with a profit of Pesos 141.6m in the previous year, Our Mining Editor writes.

Mr Jaime Ongpin, the president, attributes the loss to lower metal prices, production problems and a substantial increase in financial expenses.



AECI Limited

REGISTRATION No. 04/02590/06  
1985 AUDITED RESULTS  
Turnover up 16% to R2,340 million  
Net Trading Income up 8% to R253 million  
Earnings per Ordinary Share up 3% to 74 cents  
Ordinary Dividend unchanged at 55 cents

Trading results

The directors announce the audited trading results of the Group for the year ended 31 December 1985 as follows:

	1985	1984
Turnover (1)	2340	2017
Net trading income	253	235
Financing costs (2)	91	78
Taxation	152	157
Investment income (3)	109	109
Net income	118	115
Preference and outside shareholders' interest	4	2
Net income attributable to ordinary shareholders	114	112

Earnings per share 74c 72c  
(1) Includes exports of R233 million (1984-R173 million).  
(2) Includes unrealised exchange differences of R20 million (1984-R20 million) on foreign borrowings.  
(3) Includes share of after tax net income of associated companies and dividends from foreign subsidiaries.

Dividends Preference dividend No 95 at the rate of 5.5 per cent per annum for the six months ended 15 December 1985 has been declared and paid. The Board has declared a final ordinary dividend of 55 cents per share. This, together with the interim dividend of 24 cents per share, makes the total distribution for the year 55 cents per share (1984-55 cents). Dividend cover has remained at 1.3.

Comments The volume of Group domestic sales was maintained at 1984 levels. Increased volumes were recorded in chemicals, plastics and fertilizers while the business more closely associated with consumer demand suffered from reduced volumes. Export turnover, some 38% above 1984, reached a record level. Although further economies in the level of fixed operating costs and overheads were achieved, it was not possible to recover in full the sharply higher costs of imported raw materials and trading margins remained under pressure in most areas.

Financing costs were 17% above 1984 as a result of high interest rates for a large part of 1985 and the further fall in the value of the rand necessitated a higher provision against unrealised exchange differences. Several positive indicators, including falling interest rates, a significant increase in the external value of the rand, a strengthening in the current account of the balance of payments and the prospect of a larger maize crop, suggest the likelihood of some economic growth this year. Provided that this trend is not unduly disrupted by adverse political developments, earnings for 1986 will be somewhat higher. The annual report will be posted to shareholders during March.

On behalf of the Board  
Directors: G. W. H. RELLY  
M. A. SANDER

Declaration of Ordinary Dividend No 103 NOTICE IS HEREBY GIVEN that a final dividend of 31 cents per share, in respect of the year ended 31 December 1985 has been declared to holders of ordinary shares registered in the books of the Company at the close of business on 27 March 1986. Cheques in payment will be posted from the offices of the transfer secretaries in Johannesburg on or about 25 April 1986. Changes of address or dividend instructions to apply to this dividend must be received not later than 27 March 1986. In terms of the Income Tax Act, dividends payable to persons not ordinarily resident nor carrying on business in the Republic of South Africa are subject to deduction of non-resident tax at the rate of 15.7025%. The transfer books and register of members will be closed from 28 March to 11 April 1986, both days inclusive.

By order of the Board  
J. M. DOODS  
Secretary

Transfer secretaries: Consolidated Share Registrars Limited  
40 Commissioner Street  
Johannesburg  
Hill Samuel Registrars  
16th Floor, Office Tower  
1 Greenoak Place  
LONDON SW1P 1PL  
England  
Registered office:  
Carlton Centre  
Johannesburg  
26 February 1986

Mutual Benefit Overseas, Inc. A subsidiary of The Mutual Benefit Life Insurance Company  
Commercial Mortgage-Backed Bonds, Series 1986-1  
U.S. \$115,000,000 8 1/2% Sinking Fund Bonds Due February 1, 1991  
U.S. \$194,500,000 9% Sinking Fund Bonds Due February 1, 1996  
U.S. \$99,700,000 9% Sinking Fund Bonds Due February 1, 1998  
U.S. \$456,000,000 Zero Coupon Bonds Due February 1, 2006  
Salomon Brothers International Limited  
Banque Paribas Capital Markets Limited Credit Suisse First Boston Limited  
Goldman Sachs International Corp. Merrill Lynch Capital Markets  
Morgan Guaranty Ltd. Morgan Stanley International  
Shearson Lehman Brothers International Swiss Bank Corporation International Limited  
Union Bank of Switzerland (Securities) Limited

Channel Fixed Link  
The undersigned acted as advisor to the French Treasury on the financial feasibility of proposals for this project.  
Morgan Guaranty Trust Company of New York  
December 1985

The Chase Manhattan Corporation U.S. \$175,000,000 Floating Rate Subordinated Notes due 1997  
Notice is hereby given that the rate of interest has been fixed at 8 1/4% and that the interest payable on the relevant Interest Payment Date May 27, 1986 against Coupon No. 2 in respect of US\$10,000 nominal of the Notes will be US\$206.25  
February 26, 1986, London  
By: Citibank, N.A. (CSI Dept.), Agent Bank CITIBANK

CENTRAL INTERNATIONAL LIMITED US\$150,000,000 Floating Rate Notes Due 2006  
For the three months 24th February 1986 to 27th May 1986 the Notes will carry an interest rate of 8.0625% per annum with an interest amount of U.S.\$206.04 per US\$10,000 Note and US\$2060.42 per US\$100,000 Note payable on 27th May 1986.  
Bankers Trust Company, London Agent Bank

INTERNATIONAL COMPANIES and FINANCE

Cautious tone in Eurobond market

BY ALEXANDER NICOLL

NEW ISSUES continued to flow steadily but cautiously into the Eurobond market yesterday...

Banque d'Arbitrage de Tresorier et d'Investissements Financiers (BATIF). The bank, with the guarantee of its parent, the French industrial group Thomson...

Bank's guarantee. Tokyo Construction is issuing \$50m of bonds via Yamachi International (Europe) and Fesco Corporation...

year issue led by DG Bank with a 6 1/2 per cent coupon and par price. Although the borrower does not carry the guarantee of the South Korean Government...

KLM issue to dilute state holding

By Our Financial Staff

KLM, the Dutch airline, plans a share issue aimed at diluting the state's shareholding in the company to less than 40 per cent...

Canadians develop a taste for overseas securities

CANADIAN INVESTORS, whose horizons have traditionally been limited to North American markets, are placing a rapidly growing slice of their funds in overseas securities...

and their foreign portfolios by CSB for every CSI invested in a Canadian small business. Draft legislation was published last November, but is expected to be bogged down for some time by negotiations between the Government and private sector...

British merchant banks and other investment advisers have so far picked up the bulk of the business. The Ontario Municipal Employees Retirement System, Canada's largest pension fund, has retained Baring Brothers International, Ivory and Sims of Edinburgh, and IDS Advisory of London, as well as Fidelity International of Boston, Robert Fleming Morgan Grenfell, S. G. Warburg, and N. M. Rothschild...

BERNARD SIMON finds investors in Canada match those in Japan and the US in their appetite for foreign shares

doubled the proportion of its non-North American assets in the past three years to 4 per cent of its total portfolio. Mr Neil Jacoby, the fund's manager, says: "Our objective is to have roughly the same portfolio composition as the US market, but with a heavier weighting of foreign markets."

While Canadian pension funds have traditionally channelled between 80 and 90 per cent of their foreign investments to the US, North America makes up only half of world stock market capitalisation. According to Statistics Canada, Canadians' net purchases of securities in Britain soared from C\$48m in 1983 to C\$248m in the first 11 months of 1985. Transactions in the rest of Europe have swung from net sales of C\$12m in 1983 and 1984 to net purchases of C\$17m between January and November last year. The same pattern has recently emerged in dealings with Japan.

Swiss group mulls offering

By John Wicks in Zurich

LANDIS & GYR HOLDING, of Zug, and Credit Suisse First Boston, the London merchant bank, are considering the secondary offer of up to 500,000 of the Swiss company's participation certificates.

Sallie Mae sets a fashion

BY TERRY SYLAND

A NEWSTYLE adjustable rate security, introduced in New York by Morgan Stanley as a debt instrument offering a leveraged play on interest rates, has already been copied on both sides of the Atlantic.

to appeal to institutions seeking to hedge against fluctuations in the yield curve. A YCAN follows the conventional FRN pattern in having interest coupons linked to Libor six-month rate, but are constructed so that the coupon rises as Libor falls, and vice versa. A higher coupon would add leverage to the rise in the potential return above that on a straight bond. If Libor rises, however, the YCAN coupon falls and the investor could find himself holding a zero-rated security.

rate at 9.20 per cent—obtained by subtracting Libor at 8 per cent from the 17.20 per cent YCAN coupon. Interest rate is reset every six months, and Libor is capped at 17.20 per cent, at which level the investor would receive no interest. Similar issues have been made in London for Christiania Bank by Merrill Lynch International, and in New York by Salomon Bros, which sold \$100m notes for Citicorp.

Yasuda Trust in \$500m CD programme

By Peter Montagnon, Euromarkets Correspondent

YASUDA TRUST is arranging a \$500m certificate of deposit programme for Yasuda Trust and Banking Company of Japan.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Table with columns for Bond Name, Issued, Bid, Offer, Day, Week, Yield, and Change. Includes sections for US DOLLAR, OTHER STRAIGHTS, CONVERTIBLE, DOMESTIC BOND MARKETS, and YEN STRAIGHTS.

Advertisement for Türkiye Cumhuriyet Merkez Bankası (The Central Bank of the Republic of Turkey). Features the bank's logo and lists participating banks from various countries including London, Kuwait, and the Middle East.

Simex to start trading Nikkei stock futures

THE SINGAPORE International Monetary Exchange (Simex) is to start trading the Nikkei Stock Average futures contract from September 3. Reuters reports from Singapore.

Active trading in Tokyo

YEN BONDS were actively traded, encouraged by a 0.1 per cent drop overnight in the yield on 30-year US treasury bonds, writes Shigeo Nishiwaki of Jiji Press. The yield on the benchmark 6.2 per cent government bonds, due in July 1985, fell to 5.500 per cent from the previous day's 5.545 per cent.

DOMESTIC BOND MARKETS

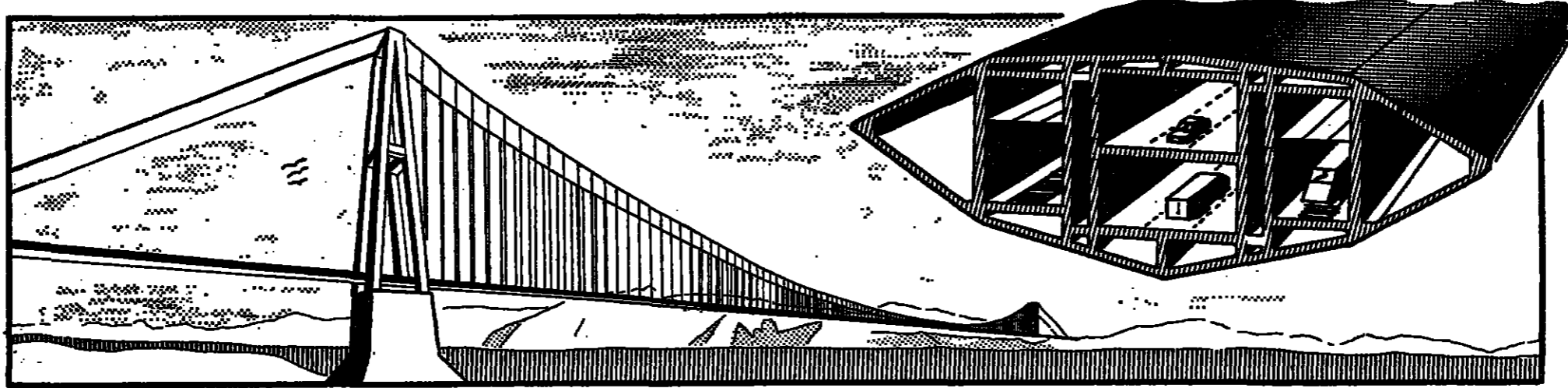
YEN STRAIGHTS issued Bid Offer day week Yield. Includes data for Avon, Cap. Corp., Br. Land, Chrysler, Council of Europe, Dow Chemical, ESB, ESB 74, ESB 75, ESB 76, ESB 77, ESB 78, ESB 79, ESB 80, ESB 81, ESB 82, ESB 83, ESB 84, ESB 85, ESB 86, ESB 87, ESB 88, ESB 89, ESB 90, ESB 91, ESB 92, ESB 93, ESB 94, ESB 95, ESB 96, ESB 97, ESB 98, ESB 99, ESB 00.

INTERNATIONAL COMPANIES and FINANCE

The great Italian dream of a bridge much broader than the flood

James Buxton, recently at the Strait of Messina, looks at rival plans for a fixed link between Sicily and Southern Italy

The proposed sites with artist's impressions of the bridge and tunnel.



THE Strait of Messina between Sicily and southern Italy is a splendid sight on a fine winter's day. From the ferryboat, just holding its course against the eddying currents, the eye runs up past the towns along the shores of the strait to the snow-capped mountains above, then down again to the narrowest point of the strait, the tide race which the ancients called the Whirlpool of Charybdis.

To span those narrows with a colossal, supremely elegant suspension bridge would be an immense human achievement. It is this vision which is currently inspiring engineers, big Italian companies and the Italian Government to make the bridge a reality.

Two days after Christmas, Mr Bettino Craxi, the Prime Minister, formally commissioned a state-owned company, Strait of Messina, to study construction and operate a fixed link across the Strait. Soon afterwards Strait of Messina, which has been studying the question since 1982, handed in its report and the options of 20 teams of experts on the best way of crossing the strait. Though nothing has been published, it is known that the balance of opinion in the report favours a single-span suspension bridge whose cost is put at about 15,000bn (£2bn).

In theory, a decision on a bridge could be taken by the middle of this year. Then would follow two years of detailed design work, contract preparation, and the passing of an Act of Parliament. Construction could begin in 1989, with a forecast completion date about eight years later.

In practice, that timetable is wildly optimistic. The project for a fixed link has been under discussion since the late 1960s. It does at the moment enjoy new momentum, with the government seeing the economic and political advantages of the project, and major industry, from Fiat in the private sector to the steel and construction companies in the state sector, lured by the potential contracts (a suspension bridge, it is estimated, would require 620,000 tonnes of steel alone). But there are big political and technical obstacles to be overcome.

No one doubts that a fixed link would bring economic benefits. At present 2.5m cars, 650,000 railway carriages and wagons, 1m lorries and 6m tonnes of freight cross the strait each year. The actual crossings by ferry last only 15 minutes, but with queuing, loading and unloading the journey can take two hours or more. A fixed link would not only speed up and simplify the journey, but also attract traffic that presently goes from Sicily to the rest of Europe by sea.

Any fixed link would have to meet daunting requirements. The Strait of Messina is one of the most earthquake-prone areas in the world, the cities of Messina in Sicily and Reggio Calabria on the mainland were destroyed by an earthquake in 1908 that left more than 30,000 people dead. So any structure would have to resist a seismic shock of more than 7.5 on the Richter scale. The Strait, only 3.2km wide at its narrowest point, is swept by violent gusts of wind that can reach 100km an hour, while the tidal currents flow at up to six knots—equivalent of a torrent in full spate.

But Professor Gianfranco Gilardini, the magisterial engineer who is managing director of Strait of Messina, has no doubt not only that a single span suspension bridge could meet all the specifications, but

that it is the only viable solution. It is also incidentally the one which most appeals to the Italian engineering and steel industries, and, thanks no doubt to many Italian politicians.

A single-span suspension bridge would reduce the seismic risk—said to be at its highest in mid-channel—by having its two sets of towers bedded in an extremely solid base of reinforced concrete on each side of the narrowest point of the strait, north of Messina where it joins the open sea. Yet with a span of 3,300 metres it would not only be the longest suspension bridge in the world, but would be more than twice as long as the longest such bridge currently in existence—the 1410m-long Humber Bridge in Britain. It would run 80m above the water and its towers would be 400m high—one-and-

a-half times the height of the Eiffel Tower. Furthermore, it would be the only suspension bridge in the world to carry a railway as well as road traffic.

"All this is possible," says Professor Gilardini, because of the highly advanced nature of our studies. He rejects the alternatives of a tunnel underneath the seabed (the seismic risk would be too high, the approach roads and railways too long) and—the only rival project still remotely in the running—a submerged tunnel.

A submerged tunnel would be at least as much an engineering marvel as a giant suspension bridge. The idea was conceived by Mr Alan Grant, a British engineer, and was one of six winning projects when a competition was held in 1989 to design a fixed link across the strait. The submerged tunnel would consist of joined concrete

sections lying 60m below the surface of the water and fixed to the bottom by cables. It would rely on the Archimedes Principle to get support from the water itself.

Its different chambers would contain rail and road tunnels as well as tanks which water would be pumped in or out of in order to trim the tunnel in response to load and water conditions.

The submerged tunnel, it is suggested, would cross the strait from the city of Messina where the channel is wider but the currents weaker, which would mean that traffic from Messina could cross the strait without the long detour the bridge would entail. Through traffic, however, would pass under the city by tunnel to join the autostrada.

Mr Grant does not enjoy the patronage of Italy's big business establishment. Instead he is in a joint venture with Mr Elio Matarca, an engaging Neapolitan businessman who owns a fleet of ferries operating on the strait.

Mr Matarca claims that his project would cost half that of a suspension bridge—some 12,500bn. And though the technology has never been tested in its complete form, he and Mr Grant claim that every component of it has been successfully constructed mainly in the North Sea, where concrete structures moored to the seabed are used in oil production.

Professor Gilardini has little time for the submerged tunnel idea. "Not ten metres of this type of tunnel have been built anywhere in the world," he says. "The technology is all unknown, there is no certainty, as to the life expectancy of the concrete, and we reckon it

would cost far more than they say." Nor does he think it desirable for the traffic to pass through or under Messina.

But Mr Grant, who is conducting his fight from London, uses one of those arguments against the suspension bridge—some 12,500bn. And though the technology has never been tested in its complete form, he and Mr Grant claim that every component of it has been successfully constructed mainly in the North Sea, where concrete structures moored to the seabed are used in oil production.

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there is. But it is very finely balanced. Road traffic does not usually put too much strain on a suspension bridge because its force is diffused over the whole structure. But a heavy train, hitting the bridge like a hammer blow, would push the bridge down by six or seven metres as it passed across it. That would create stress on the cables and cause a serious risk of metal fatigue.

Pointing to the problems of the Severn Road Bridge in Britain—now closed to all but single-lane traffic as major strengthening operations go ahead—Mr Grant says: "The bridge across the strait could easily end up a white elephant." Mr Matarca adds: "It's a battle with the impossible—at the taxpayers' expense."

The two argue that their project is not being given a fair hearing. "It is a strange fact that during all the time Strait of Messina was supposed to be evaluating our project they never once sent back to us," says Mr Grant. Mr Matarca points out that Professor Gilardini was, before joining the present company, running the Messina Bridge Consortium—a grouping which included Fiat (which has a construction subsidiary, Impregit), Finisider (the state steel concern) and others, and would have been giving plans for a suspension bridge.

Professor Gilardini insists that this has done nothing to colour his judgement. He claims that tests carried out in the wind tunnel of Fiat's railways subsidiary in Turin have proved that trains can cross the bridge without making the track move.

He also points out that once the choice of project has been made it will be submitted to several international authorities on different aspects of the subject for their verdicts. Mr Grant retorts that the experts—all university professors—were chosen by Strait of Messina itself.

But the technical discussion is only part of the debate. Down in southern Calabria and eastern Sicily many people welcome the idea of a bridge, the employment it would give during its construction and the stimulus it would provide to the area. However, recalling how many times the project has been raised in the past, not to mention the state's poor record in maintaining regular payments to its construction schemes, they question whether it will ever be built.

And even in the far south, as well as in Rome, there are many people wondering whether the economic benefits would justify the cost of a fixed link, and whether such a concentration of expenditure on a single public work is the best way of assisting one of the poorest parts of Europe.

Residential Property

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SWITZERLAND DUPLEX APARTMENT. For sale direct from the builder in Vevey, in the magnificent all resort of the Wallis Alps.

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MOTORING HOLIDAYS IN FRANCE. This year even more 2 & 3 star hotels, 200+ motels and a flexible choice of "GO AS YOU PLEASE" voucher system.

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TAKE THE PROFIT. On your new car investment. Pointless import. You take the profit, we do the work. Buy via Mycar.

Company Notices

USD 32,500,000 Medium Term Loan. ARRANGER: Bergen Bank A/S. LEAD MANAGERS: Bergen Bank A/S, Forretningsbanken A/S, Standard Chartered Bank.

CO-MANAGERS: Deutsch-Scandinaviske Bank (Luxemburg) S.A., DnC Ship Mortgage International Bank N.V., PRIVATBanken Limited.

NOTICE OF REDEMPTION. European Coal and Steel Community (E.C.S.C.) FF 100,000,000 7 1/2% 1972/1997.

LEGAL NOTICES. HAMMOND BROTHERS (TRANSPORT) LIMITED. NOTICE IS HEREBY GIVEN pursuant to Section 588 of the Companies Act, 1985.

UK COMPANY NEWS

Marley confident despite 41% fall

Marley, the building materials group, yesterday reported a 41% fall in taxable profit...

Despite the 41 per cent profit decline, the final dividend is held at 2.35p per share...

Outside building materials, other manufacturing made a pre-tax profit of £1.9m...



Sir Robert Clark, chairman of Marley.

Mount Charlotte jumps to £16m

AN INCREASE in pre-tax profit of some 50 per cent has been achieved by the Mount Charlotte Investments group...

The pre-tax profit — ahead from £10.6m to £16.0m — comes from a turnover showing a 35 per cent rise...

Jarvis Porter heads for market with £18m value

BY LUCY KELLAWAY

Jarvis Porter, a Leeds-based printer of labels, is being floated on the Stock Exchange with a value of £17.5m.

The details are published today of an offer for sale by Hill Samuel of 30 per cent of the shares at 105p each.

purchase of the company's shares. Jarvis Porter's business is divided into four divisions...

Group profits in the last five years have grown steadily from £1m in 1981 to £2.5m in the year to February 1985...

the regional brokers. The application list opens on March 4. Investors do not like headstrong moves, especially in a family-owned business...

Rex Williams in acquisition

WITH THE announcement of its results for the year ended November 30 1985, showing a drop in pre-tax profits from £167,000 to £150,000, the directors of Rex Williams Leisure say they have agreed provisional terms for the acquisition of a private company...

RWL group, a USM quoted company which mainly manufactures and distributes pool and snooker tables, improved from £286,000 to £307,000 but its operating profit fell to £139,000...

acquisition company are complementary to RWL and it is hoped that one of its directors will join the board of RWL...

HAT takes £9m loss on US sale

By Terry Garrett

HAT Group has finally extricated itself from an unrewarding foray into the US property market with the sale of its remaining 49 per cent interest in a Houston office block at 3555 Timmons.

The disposal will trigger a bruising \$8.5m write-off against reserves to add to last year's £3.4m provision.

HAT, a UK-based building services and maintenance group, first entered the US market in 1982 with a 14 storey 225,000 sq ft development.

The write-off, together with a \$8m write-off of goodwill already announced, will leave the balance sheet 60 per cent geared.

Independent News 52% up and raises dividend

Independent Newspapers, the Dublin-based news publishing group which is a member of the London Stock Exchange, yesterday reported a 52 per cent rise in pre-tax profits for the year ended December 31 1985, and is to lift the dividend by 25 per cent.

with "some very commendable results" in the UK, and France, while the West German advertising company, Superposter, yielded satisfactory results.

The outcome for the year was £4.61m (£4.17m), against a comparable £3.03m on turnover 11 per cent ahead at £77.35m.

Yearlings lower The interest rate for this week's issue of local authority bonds is 11 1/4 per cent down 1/2 per cent on a percentage-point from last week, and compares with 12 1/2 per cent a year ago.

First Scottish American improvement

Substantial all-round growth has been shown in the year ended January 31 1986 by First Scottish American Trust.

Earnings are 47 per cent higher and the dividend is lifted 48 per cent. Net revenue came out at £2.58m against £2.22m for 1985, compared with 7.06p per share.

At January 31 the net asset value per share had moved ahead to 366.5p, up from 339.9p a year earlier.

meas a cost advantage of some US\$2 per ton over the US suppliers to these "sunbelt" market areas which have to use higher cost road rail or barge transport.

Bluebird Toys shares hit high as profits rise 71%

SUBSTANTIAL increases in sales and profits for 1985 have been achieved by Bluebird Toys, which came to the USM a year ago, and the dividend is well over the forecast.

Bluebird makes toys for the 3-to-10 age group and markets them through leading retailers such as Asda, Boots, BHS, Sainsbury and Woolworth.

Turnover in 1985 rose by 56 per cent, from £8.57m to £13.36m, while the profit before tax advanced by 71 per cent, from £739,000 to £1,271m.

Signs for the current year, the directors say, are that it will be one of further progress, and they look forward with confidence.

It is too early to make firm predictions, but the order book is strong, the new Aerobics toy has been well received and wide distribution secured.

Turnover in 1985 rose by 56 per cent, from £8.57m to £13.36m, while the profit before tax advanced by 71 per cent, from £739,000 to £1,271m.

Dialene higher in first half

Dialene, the plastic housewares manufacturer which came to the Unlisted Securities Market in January 1985, after a 15 per cent rise in attributable profit for the half year to November 30 1985.

Turnover for the half year was £1.2m, up from £1.1m in the previous period, and earnings rose to 6.5p from 5.5p.

Two property companies seek help from BES

BY ALICE RAWSTHORN

TWO property-based companies, Bright Walton Homes, which will run old people's homes, and Barnham Broom, an established country club, have joined the stream of companies appealing to investors for capital under the Business Expansion Scheme.

Bright Walton Homes plans to raise \$5m through the issue of 5m shares at \$1 in an issue sponsored by the merchant bank, Hill Samuel. The subscription list will open on Thursday.

The company plans to own and operate residential homes for the elderly, chiefly in the South and South-east England. It envisages opening between three and 10 homes initially, and once these are established will diversify into nursing homes.

The issue, which is sponsored by LET Financial Services, will release 3.6m shares at 70p each. Investors must apply for a minimum of 700 shares and thereafter for a multiple of 250. The issue will also open on Thursday.

Inv. in Success

"Investing in Success" Equities had a net asset value of 703.4p per 25p share at end-January 1986, against 679p a year earlier and 574.5p at end-July 1985. It improved its net revenue for the year from £371,637 to £410,616, for earnings per share shown above from 6.05p to 6.71p.

The directors are lifting the total dividend to 5.74p (5.64p) with a final up from 4.5p to 4.64p.

HABIT PRECISION ENGINEERING PLC advertisement. Includes text: 'A precision engineering group which includes one of the country's largest manufacturers of industrial diamond products'. Lists products and services.

Go-ahead for Explaura project advertisement. Includes text: 'Explaura Holdings has given the go-ahead for a C\$10m (£4.84m) limestone quarrying project based on reserves of 700m tons of high grade deposits at Bay St George in Newfoundland'. Includes a dividends table.

European Bank Limited advertisement. Includes text: 'European Bank Limited. FINANCIAL HIGHLIGHTS YEAR ENDED 31st DECEMBER'. Includes a table with financial data for 1984 and 1985.

Granville & Co. Limited advertisement. Includes text: 'Granville & Co. Limited. Member of The National Association of Security Dealers and Investment Managers'. Includes a table of stock prices and yields.

Advertisement for London and Northern Group PLC. Includes text: 'A LEADER IN SPECIALIST PERSONNEL FOR THE OIL INDUSTRY'. Lists services and contact information.

UK COMPANY NEWS

Argyll legal move to proceed

BY RAYMOND HUGHES AND DAVID GOODHART

THE ATTEMPT by supermarkets group, Argyll, to legally quash the latest bid for Distillers, is set for full judicial review, probably tomorrow.

Argyll yesterday claimed in the High Court that the decision of the Monopolies and Mergers Commission on February 19 to lay aside its decision to refer the earlier Guinness bid was at odds with the 1973 Fair Trading Act because the bid had not been properly abandoned. The next day, Guinness announced a slightly amended offer which sought to address one of the major reasons for the referral—UK Scotch whisky market share.

Argyll argued that the case was of "exceptional urgency and public importance" in view of its trade with Guinness for control of Distillers. Mr Justice Webster agreed there was a case to be heard and, assuming that a judge is available, it will be heard on Thursday.

However, the court may respond sympathetically to any request by the MMC or the Trade and Industry Secretary, who was also a party to the decision, to seek adjournment.

Argyll will seek three orders:

- The quashing of the Commission's decision on February 19 to lay aside the reference.
- The quashing of the Secretary of State's consent to the laying aside.
- A declaration that the reference to the Commission, which had the effect, under the City takeover code, that the Guinness bid automatically lapsed, is valid and subsisting.

Mr Michael Sherrard, QC, for Argyll, told Mr Justice Webster that the company's main contention was that, when the reference was laid aside on February 19, there had been no change in Guinness's intention to bid for Distillers.

Mr Ian McIntosh, of Argyll's merchant bank Samuel Montagu, said it was not clear whether the Commission and the Secretary of State had been aware that Guinness intended to announce an increased offer the next day.

If they had known they had misdirected themselves on the question whether the reference could properly be laid aside; if they had not known, then the reference had been laid aside "under a fundamental misapprehension such as to render the laying aside void and without legal effect," Mr McIntosh stated.

Supporting the allegations that the bid proposals had not been abandoned within the meaning of section 78 of the Act, he said that the press release of February 20 could not have been produced overnight; and that in fact Guinness and Distillers had been in virtually continuous session since February 13 when the earlier bid was referred.

Hill Samuel resigns as Extel's adviser

By Charles Batchelor

EXTEL GROUP, the business and sporting information company which is fighting a £173m takeover bid from Demerger Corporation, has lost the services of Hill Samuel, its long-standing merchant bank adviser, just two days before publication of Demerger's formal offer document.

The loss of an adviser which knows the company well is potentially damaging to Extel's defence campaign. But Mr Alan Brooker, Extel chairman, said he did not believe the change would weaken the company's position.

Extel had been preparing its defence over the past few weeks, he added.

Hill Samuel said it offered to withdraw because it had acted in the past for British Printing and Communication Corporation and Pergamon Press, companies linked with Mr Robert Maxwell, who has built up a 15 per cent holding in Extel.

Extel has now appointed Kleinwort, Benson.

Mr Richard Lloyd, chief executive of Hill Samuel, said: "We don't know Mr Maxwell's intentions towards Extel but we have acted for BPCC and Pergamon in the past. It is deeply regrettable because we have had a long-standing relationship with Extel."

Hill Samuel's move prompted renewed speculation that Mr Maxwell would launch a counter-bid for Extel. Analysts pointed out that Mr Maxwell's holding in Extel has been public knowledge since February 12.

Extel's shares rose 8p yesterday to 411.

Hanson/Imps

Hanson Trust, which is making a £2.3bn takeover bid for Imperial Group, has acquired a further 2m Imperial shares at 315p a share, lifting its holding to 1.65 per cent of the equity.

Mr Dwight Makins, the Jadelite chairman, said yesterday: "The level of acceptances reflects a recognition by Macarthy's shareholders that they did not have to give up any part of their holding to ensure that the changes we sought were effected."

"I am also greatly encouraged by the recent strength in the Macarthy's share price, which is now significantly higher than the offer price."

Mr Albert Slow, the former Macarthy's chairman, has resigned, as have Mr Michael Keeling, Mr John Jones and Mr Alan Ritchie. Mr Nicholas Ward has become chairman and chief executive and Mr John Read, Mr Jonathan Stone and Mr Dwight Makins have joined the board.

Carlton director sells holding

BY RAYMOND SNOODY

MR MICHAEL LUCKWELL, managing director of Carlton Communications, a video and television production company, has sold his 11 per cent stake in Carlton for about £25.5m and is leaving the company.

Mr Michael Green, chairman and chief executive of Carlton, said yesterday the parting was "definitely amicable."

Mr Luckwell's shares were placed with institutional investors by Carlton, and it is believed they were oversubscribed nine times. The shares were placed at 740p compared with a market price on

Monday night of 820p. The price fell 55p at one point yesterday but closed at 780p.

Mr Luckwell was appointed group managing director, a new post, in August 1983 after Carlton had acquired his company the Moving Picture Company, which specialises in television commercials and special effects. The purchase was paid for in £13m worth of Carlton shares.

"He was very able, he had good ideas and he goes with our blessing," Mr Green said.

It is understood Mr Luckwell has plans to set up business in the US. He has signed cov-

nants preventing him setting up in competition to Carlton.

Mr Luckwell was seen as an entrepreneurial businessman never fully at ease within a group structure. He had not been actually running any of the individual Carlton businesses for some time.

Mr Green, who is 37, is also a very active chairman and chief executive. The group managing director's post will now disappear.

A small Carlton acquisition of a television equipment company is expected next month.

Macarthy's board changes

Jadelite, the company formed by a group of investment trusts to take over Macarthy's Pharmaceuticals, said yesterday that it had completed the proposed changes to the Macarthy's board.

Mr Albert Slow, the former Macarthy's chairman, has resigned, as have Mr Michael Keeling, Mr John Jones and Mr Alan Ritchie. Mr Nicholas Ward has become chairman and chief executive and Mr John Read, Mr Jonathan Stone and Mr Dwight Makins have joined the board.

Mr Dwight Makins, the Jadelite chairman, said yesterday: "The level of acceptances reflects a recognition by Macarthy's shareholders that they did not have to give up any part of their holding to ensure that the changes we sought were effected."

"I am also greatly encouraged by the recent strength in the Macarthy's share price, which is now significantly higher than the offer price."

Manchester Ship control battle

BY DAVID GOODHART

THE BATTLE for control of the Manchester Ship Canal could come to a head at Friday's annual meeting. Highams, the privately-owned property company which holds 48 per cent of the equity, is seeking to appoint two of its own directors to the board in the face of opposition from the Ship Canal board.

Highams has proposed that Mr John Whittaker and Mr Martin Hill, the chairman and managing director, should join the 21-member board. It points out that of the existing directors one holds 5 per cent and the remaining 20 hold 0.14 per cent between them.

The company says: "Highams has never sought any conflict with the MSC board. It previously made two written requests on January 18 and February 4 for the appointment of two representatives and both were refused."

Because of the company's preference share structure Highams controls only 29 per cent of the voting shares.

Although Highams has previously announced that it does not intend to make a bid for the outstanding shares in the foreseeable future, Mr Donald Redford, the MSC chairman, has warned shareholders that he believes Mr Whittaker wants to take control.

Manchester City Council, which has 11 of the 21 seats on the MSC board but owns no shares, is concerned that Highams will strip out the property assets valued at more than £10m.

Highams—a company with a turnover of more than £28m and about 1,000 employees—resents being painted as an asset stripper. It says that it was first to have the idea of developing MSC's prize 300-acre site at Barton, four miles from the centre of Manchester. Mr Whittaker says the development would provide 3,000 jobs during construction and 4,000 after completion.

Abbey move reflects UK slant

Abbey, the Irish building company which recently fought off a bid from the subsequently taken-over French Xer Holdings, has decided to move its group headquarters to the South of England.

Mr Charles Gallagher, the chairman, said yesterday that the move was prompted by the fact that, following the sale of a large minority stake, more than 70 per cent of Abbey's equity is now owned by UK residents.

The principal effect for shareholders will be a reduction in the tax credit from 25/65th to 30/70th.

Mr Gallagher said "the ever increasing contribution of UK activities to group expansion make it desirable that management and control should be firmly rooted in the UK."

Granada bid for leisure park company is accepted

Granada Group, fighting a £768m takeover bid from Rank Organisation, yesterday announced that its recommended £6.75m cash offer for Park Hall Leisure, a company traded on the London over-the-counter market by Harvard Securities, had been accepted by the holders of more than 90 per cent of the shares.

Although Highams has previously announced that it does not intend to make a bid for the outstanding shares in the foreseeable future, Mr Donald Redford, the MSC chairman, has warned shareholders that he believes Mr Whittaker wants to take control.

Park Hall's principal asset is a leisure park near Preston, Lancs with a theme park, hotel, restaurants and shops.

Country Gentlemen's

The Country Gentlemen's Association, which on Monday received a £8.3m takeover bid approach from Bestwood, the investment holding company, yesterday said it was considering the offer with its financial advisers.

Sharp profits advance by Ozalid

From a turnover 48 per cent above the £29.56m Ozalid Group Holdings, a wholly-owned reprographic subsidiary of Océ-van der Grinten of the Netherlands, increased in 1985 pre-tax profits from £1.51m to £3.08m. Operating profits reached

£2.98m (£1.62m) and were after depreciation of £1.54m (£1.05m) and other operating costs of £48.12m (£33.99m). Comparative figures did not include the results of Océ Copiers (UK), which was transferred to the company in December 1984.

Biddle in talks

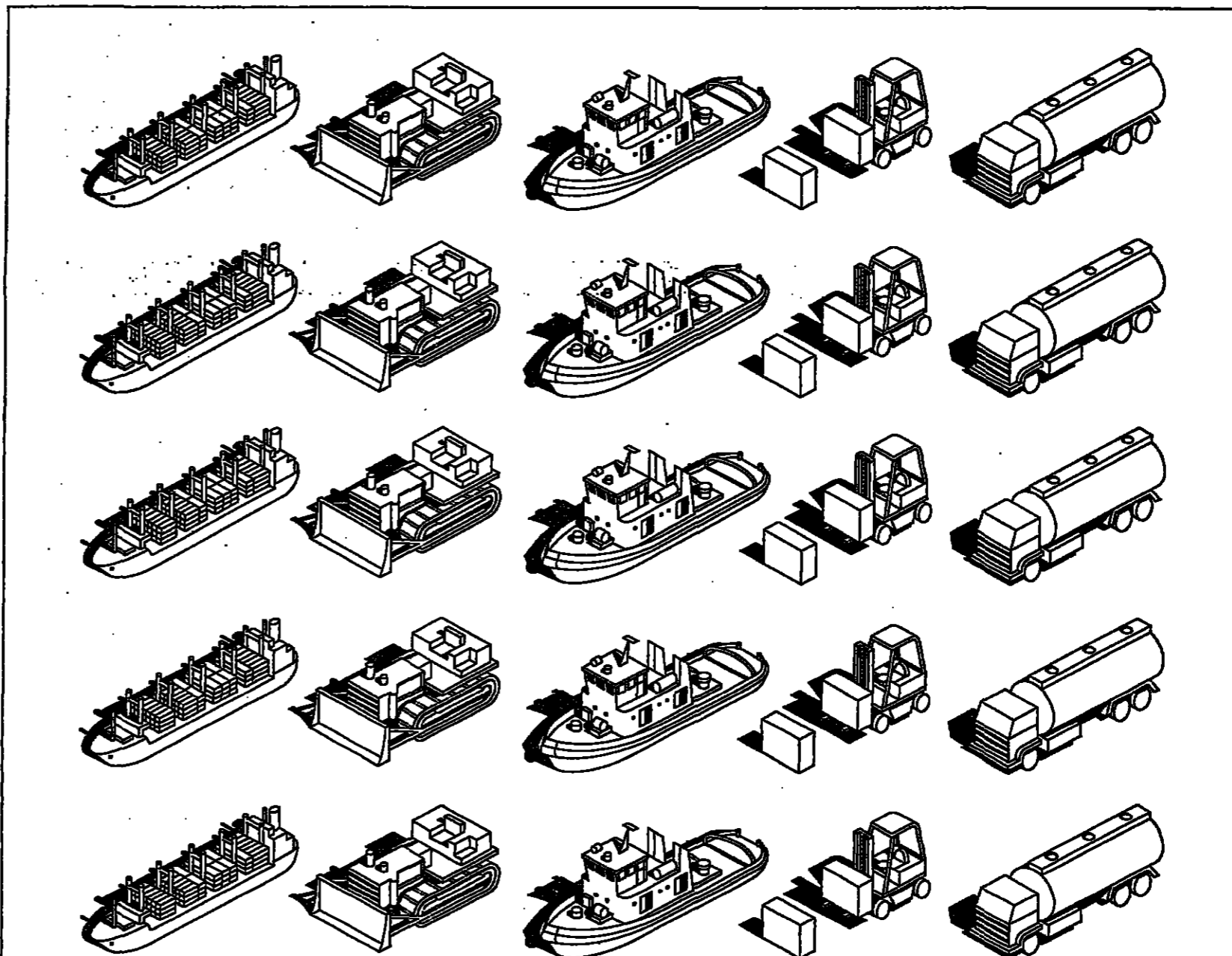
Biddle Holdings, the lift manufacturer and engineering company, is in talks which could lead to an agreed bid for the company.

**Alfred McAlpine**

Year ended 31st October	1985	1984
	£000	£000
Turnover	393,078	340,090
Profit before Taxation	23,047	22,644
Profit after Taxation and Minority Interests	13,847	16,043
Dividend per Ordinary Share	12.5p	11p
Net Assets per Ordinary Share	224p	215p

- \* Both turnover and profit before tax at their highest level.
- \* The Group, now reconstructed into four operating divisions, is successfully broadening its activities.
- \* All our interests in South Africa sold after the year end with proceeds being invested in the U.S.A.
- \* For the fifth successive year the Directors recommend an increased ordinary dividend, now covered 3.1 times.
- \* Shareholders Funds at the year end more than £81 million and now stand at £96 million after including surplus on disposal of South African interests, increasing net assets per ordinary share to 267p.

Alfred McAlpine PLC  
Hooton, South Wirral, Cheshire L66 7ND



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As an industrial services group with a special emphasis on international distribution, we have long been providing industry with the means to do business worldwide.

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As we are a service organisation, it was natural for us to move into areas such as these: it allowed us to offer our clients a far more extensive range of services.

In catering to our clients' needs, though, we have been careful also to cater to our own strengths, and to move into businesses for which our experience makes us well qualified.

So much for the theory. As for the practice—the results speak for themselves.

MSAS, our freight forwarding subsidiary, is among the top ten freight forwarders in the world.

O.I.L., our offshore oil support subsidiary, is one of the few profitable British companies in its field.

Cory Towage is one of the world's largest port, coastal and deep-sea towage companies.

And after investing £11 million in our London operation, Cory Waste Management now handles over half a million tonnes of the capital's domestic refuse.

All in all, we think we've remained true to the pioneering and innovative spirit of our founder, Alfred Holt.

Of course, he'd probably be a little bemused at the diversity of today's Ocean.

But we've no doubt he'd approve of our buoyancy.

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We can handle it.

OCEAN TRANSPORT & TRADING plc, 47 RUSSELL SQUARE, LONDON WC1B 4JP.

UK COMPANY NEWS

Ladies Pride loss at £0.4m

Ladies Pride plunged deeper into the red in 1984-85 and with losses per share emerging at 4.6p, compared with a previous 2.2p, the dividend for the year is being halved to 0.75p net.

Radius profits jump to £0.99m

IN LINE with expectations when it came to the USM last year, Radius, Hull-based computer systems and maintenance group, reports pre-tax profits for the year to the end of November 1985 up by 97 per cent to £991,000 on turnover of £6.5m.

BOARD MEETINGS

Table listing board meetings for various companies including Leisure Investments, Medinair, Parker Knoll, etc.

TODAY

Table listing today's board meetings for companies like Interline, Elaco, Herburger, etc.

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the sub-divisions shown below are based mainly on last year's statements.

making accurate profit projections in its prospectus and when it did not "surprise" the City by racing ahead of its own forecast was promptly punished with a 2p fall to 18p. Five years ago Radius transformed itself from a workaday computer systems supplier into a computer services company which sources most of its profits from maintenance and after sales services.

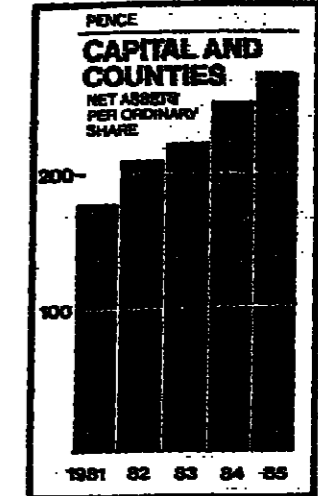
Wardell Roberts, a Dublin-based company which markets tea, coffee and snack foods in the Irish Republic and Northern Ireland, is expected to join the United Securities Market through a placing next week.

Wardell Roberts coming to USM

Wardell Roberts, a Dublin-based company which markets tea, coffee and snack foods in the Irish Republic and Northern Ireland, is expected to join the United Securities Market through a placing next week.

Capital & Counties makes £9.16m in nine months

Capital & Counties, property investment and development group, reports pre-tax profits of £9.16m on turnover of £12.57m for the nine months to the end of December 1985. As it has changed its year end, comparisons are difficult, but for the previous 12 months pre-tax profits were £9.96m on turnover of £15.48m.



transferring of Capesport Jersey to the UK less income from previous tax provisions which were no longer needed. Net assets per share at the end of the period rose to 260p, compared with 250p on March 25.

Sanpaolo advertisement featuring the text 'SANPAOLO ISTITUTO BANCARIO SAN PAOLO DI TORINO U.S. \$250,000,000 Euro CD and Eurocommercial Paper Programme' and listing various dealers like Citicorp and Morgan Stanley.

Radio City may auction Beate collection in US

THE ENTIRE collection of memorabilia at the Beate City Exhibition Centre in Liverpool is likely to be auctioned in America later this year unless a buyer can be found for the collection by the end of next month.

COMPANY NEWS IN BRIEF

DEBORAH SERVICES reports turnover of £18.3m (1984) and pre-tax profit of £700,000 (1984) for the year ended September 30 1985. The interim dividend is again 1.21p net.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions, including ABN Bank, Allied Dumbarton, etc.

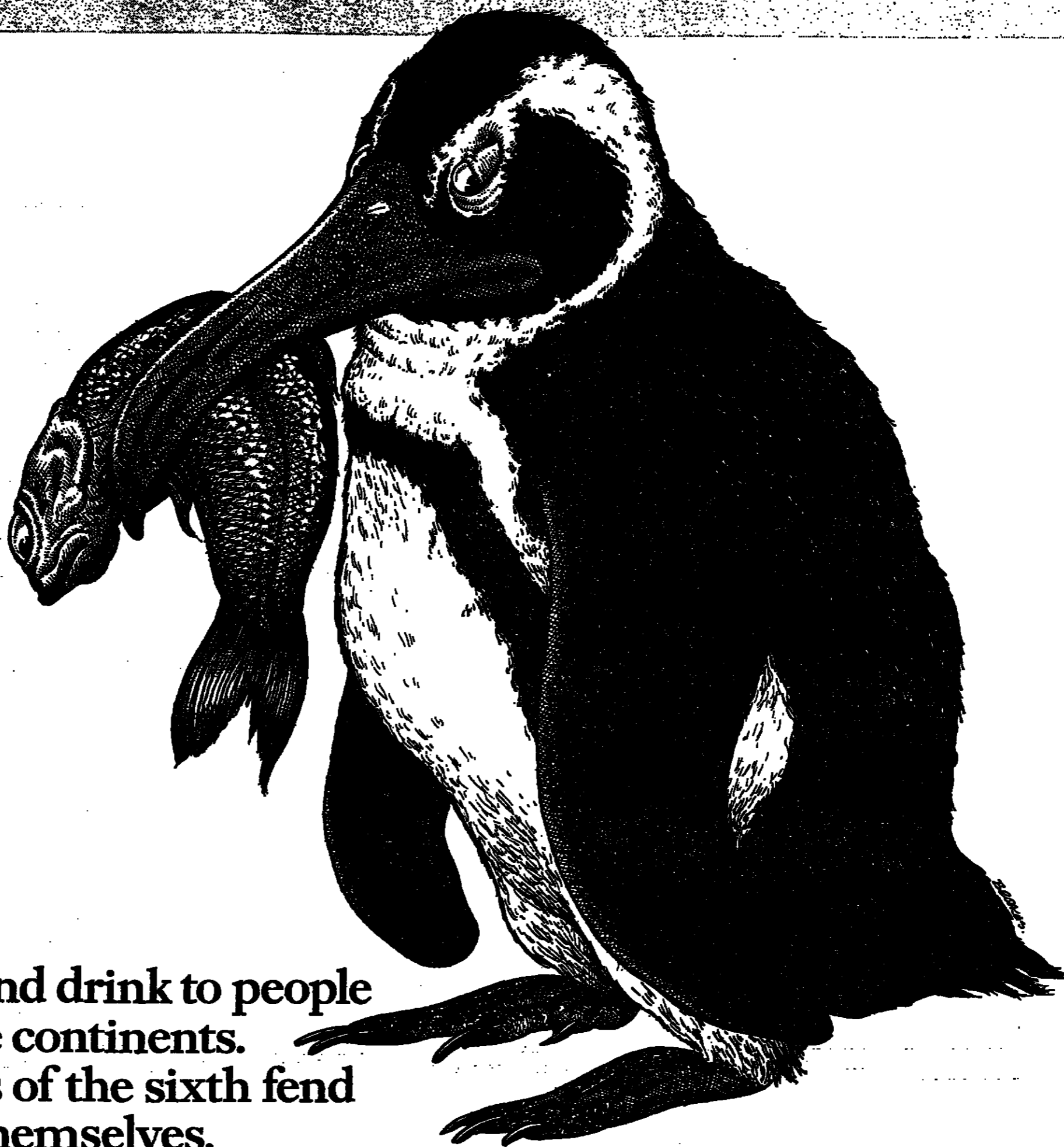
Burroughs International Finance N.V. advertisement for 15% Guaranteed Notes Due 1988, including terms of redemption and contact information.

COMMERZBANK OVERSEAS FINANCE N.V. advertisement for U.S.\$ 100,000,000 Floating Rate Notes Due 1989.

E.L. INTERNATIONAL LIMITED advertisement for 4% Convertible Subordinated Guaranteed Debentures Due 1987, including notice of issuance of stockholder rights.

PARKFIELD GROUP PLC advertisement for 7% Cumulative Convertible Preference Shares of £1 each.

Rodime PLC advertisement for 7,856,200 ordinary shares of 5p each to be introduced to the Stock Exchange.



**We're food and drink to people of five continents. Inhabitants of the sixth fend for themselves.**

Primitive though they are, most of the population of Antarctica know exactly where their last meal came from.

Which is something that can't be said of the people of the more advanced countries of the world.

In the States they think Baskin-Robbins, one of the world's biggest ice-cream chains, is as American as Apple Pie. Which is hardly surprising as it's run entirely by Americans.

But it's owned by Allied-Lyons. A British company.

Clogs, windmills, tulips, advocaat, what could be more Dutch?

The advocaat. Warninks, Holland's biggest producer of advocaat is British owned and it's part of Allied-Lyons.

All over the world people have got into the habit of drinking sherry before, during or after a meal. Hardly the thing to do, eh what?

But we don't mind. The chances are they're drinking Harveys, the world's biggest selling sherry, once again from Allied-Lyons.

It's much the same with port.

In over 50 countries they don't know, or care, which way to pass the port. But they do know which port to pass. It's Cockburns.

We could go on.

Allied-Lyons have over 200 brands, many of which are household names in countries the world over. But we're not just sitting back counting the profits, considerable though they are.

This financial year alone, we plan to invest a massive £190 million in the business and in 1985 we launched well over 100 new products worldwide.

Last year we made record pre-tax profits of £219 million and achieved £945 million worth of business overseas, without any help from our flippered friends down there in Antarctica.

**Allied-Lyons**  
GOING ON GROWING

## HERE'S A LIST OF SOME OF THE MOST PROGRESSIVE AND FAR-SIGHTED COMPANIES IN BRITAIN.

You don't need to be a regular reader of the FT to know that this is a list of very successful companies.

But progressive and far-sighted? Certainly.

They all recognise that they can only stay successful by training young people for the future.

And that having properly-trained people working for you means higher productivity.

And that a regular input of enthusiastic young people has a positive effect on everyone in a firm.

Which is why they're about to take on thousands of school-leavers on the new 2 year YTS.

These tightly-run companies will, with the happy agreement of their finance directors, be devoting time and money to training totally green sixteen and seventeen year olds.

An investment that will be paying returns year in, year out, way into the next century.

Up to now, over 100,000 companies have said they want to be part of the scheme. So your competitors are probably already amongst them.

MARKS AND SPENCERS PLC  
 J. SAINSBURY PLC  
 BRITISH PETROLEUM COMPANY PLC  
 THE BURTON GROUP  
 ALLIED-LYONS PLC  
 THE BOOTS COMPANY PLC  
 THE ASSOCIATION OF BRITISH TRAVEL AGENTS LIMITED  
 WHITBREAD AND COMPANY PLC  
 CADBURY SCHWEPPE'S PLC  
 NORTHERN FOODS PLC  
 BAKER PERKINS PLC  
 PILKINGTON BROTHERS PLC  
 INTERNATIONAL THOMSON ORGANISATION PLC  
 BUILDERS' MERCHANTS FEDERATION  
 GRAND METROPOLITAN PLC  
 TESCO STORES LTD.  
 BRITISH ASSOCIATION OF  
 PROFESSIONAL HAIRDRESSING EMPLOYERS  
 GALLAHER TOBACCO (UK) LIMITED  
 THE DISTILLERS COMPANY PLC  
 ESSO UK PLC  
 TARMAC PLC  
 ASDA-MFI GROUP PLC  
 THE POST OFFICE  
 THE PLESSEY COMPANY PLC  
 MOTOR AGENTS ASSOCIATION LIMITED  
 ELECTRICITY COUNCIL  
 IBM UK LIMITED  
 GLAXO HOLDINGS  
 GUEST KEEN & NETTLEFOLDS PLC  
 IMPERIAL GROUP PLC  
 COURTAULDS PLC  
 THE BOC GROUP  
 SCOTTISH AND NEWCASTLE BREWERIES  
 BRITISH SHIPBUILDERS  
 IMPERIAL CHEMICAL INDUSTRIES PLC  
 TATE & LYLE PLC  
 AUSTIN ROVER  
 BASS PLC  
 ROWNTREE MACKINTOSH PLC  
 ARGYLL GROUP PLC  
 LITTLEWOODS ORGANISATION  
 RANK XEROX LIMITED  
 GEORGE WIMPEY PLC  
 THORN EMI  
 JOHN LEWIS PARTNERSHIP PLC  
 THE GENERAL ELECTRIC COMPANY PLC  
 UNILEVER UK HOLDINGS LIMITED  
 ROLLS-ROYCE LIMITED  
 BRITISH AEROSPACE  
 SHELL UK

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 NOW 16 AND 17 YEAR OLD SCHOOL LEAVERS CAN EARN WHILE THEY LEARN.**

Shell notified



FT COMMERCIAL LAW REPORTS

Single application for oilfield rights

RE BP PETROLEUM DEVELOPMENT LTD Chancery Division: Mr Justice Warner: February 19 1986

THE COURT has power to grant a licence to an operator the right to use and occupy land for laying petroleum pipelines as well as other rights ancillary to the licence.

Mr Justice Warner so held when giving judgment for BP Petroleum Development Ltd on a preliminary issue in its application, made through the Department of Trade and Industry, for a compulsory grant of the necessary rights to use and occupy land on which it wished to construct facilities.

THE MINE (Working Facilities and Support) Act 1923 with a view to obtaining from the court a compulsory grant of the necessary rights to use and occupy land for those purposes.

(Working Facilities and Support) Act 1923, with a view to obtaining from the court a compulsory grant of the necessary rights to use and occupy land for those purposes.

The question on the preliminary issue was whether it had such power. There was no doubt that it had power to grant such rights in respect of all the other facilities needed by BP.

Section 11 of the 1923 Act provides that the Secretary of State may, if he is satisfied that it is expedient to do so, grant to any person proposing to execute works on land for placing a pipeline...

of minerals, with certain specified exceptions. Section 3 of the 1923 Act applied only to pipes for the conveyance of petroleum.

It rejected the other possible conclusion that because the court's power to grant the right to lay and maintain was not expressly taken away, its power to grant the right to lay and maintain was also taken away.

Halbury's Laws of England, vol 44 para 966, read: "Repeal by implication is not favoured by the courts... The rule is that where two provisions are repugnant to each other, the one which is more specific prevails over the other."

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Brown Shipley & Co Ltd, Abbey Unit Trst, and others, with columns for name, type, and other details.

THE FINANCIAL TIMES is proposing to publish a Survey on GHANA on Monday May 19 1986. Advertising copy date for this Survey is Monday April 21 1986.

F.T. CROSSWORD PUZZLE No. 5,958

Crossword puzzle grid with numbers 1 through 28 indicating starting positions for words.

ACROSS: 1 Tea with fine china—how delightful! (6). 2 Stimulus, say, for a prince (6). 3 Having perititis, musicians go to chemist (5). 4 How this steak could be done in Lahore town? (9). 5 Amount taken off for piece of work by Holmes (9). 6 Score one century like those old edgy characters (6). 7 Recast in cathedral—Conventry perhaps (6). 8 But he does not listen to our accounts! (7). 9 Shorter guide to be prepared? (7). 10 A classic law is laid lower for the Russian (6). 11 Spanish wines guys can keep down? (9). 12 Conservative bid to be first in prayers (9). 13 Red port for Michael, for instance (9). 14 What confusion about red—red and indignation (5). 15 Twice set-out to find the fly (6). 16 Mr. students' prank has been overthrown in the fort (6). 17 Amusing scenes? (6). 18 MI road all in disorder—I have a plated boy (9). 19 Notes for listeners? Such good news! (5, 2, 4, 4). 20 Salt used in dark ceremony, some say? (7). 21 Change of hardy underweave's required for extended conflict (7, 5, 3). 22 Left port, carrying cargo (5). 23 Fresh delivery from the sea-side? (9). 24 The 'Spanish' gooseberry? (6). 25 Coal first used in modern spectacles (9). 26 Kind of painting sailors followed, we hear (8). 27 What one hug might turn out to be for a prude? (8). 28 Boy's twice-written article in Lucerna (7). 29 Dash of soda-water? (6). 30 See crane-fly? It is iridescent on the shore (5).

Operations director for Teacher spirits group

TEACHER (DISTILLERS), (spirits group of Allied-Lyons) has appointed Mr Derrick Fillingham, managing director of Wm. Teacher and Sons, as operations director of Teacher (Distillers). The deputy managing director of Wm. Teacher and Sons, Mr Michael Brown, succeeds Mr Fillingham. Mr Patrick T. Burke, who came to the group early in 1985 as managing director of Stewarts of Dundee, has been appointed to the board of Teacher (Distillers).

Mr Laurence Stephen Leber has been appointed director of SOUTHERN SADIUM. Mr Paul Mauries has been appointed secretary in place of Mrs V. Bealwell, who has resigned. Mr Leber is an executive director of Larches Securities, a subsidiary of Shop Constructions (Holdings) which acquired a 25.7 per cent holding in Southern Stadium last December.

GOOD PUBLICITY (UK) has appointed Mr Barry Lynn as managing director. BARKER & DOBSON GROUP has appointed Mr Roderick V. J. Bishop to the new position of currently managing director and chief executive of Adams Foods. He will be acting in a non-executive capacity until April when he joins full-time as managing director of the confectionery division with responsibility for BARKER & DOBSON, James Kellier and Son and Angus Confections.

On March 1 Mr Roy S. D. Veal is joining the board of GARFIELD LEWIS. Mr Veal, recently returned from five years in the US where he was president of Uddeshim Corporation, will be managing director of the stainless steel division. The following have been appointed to the board of AQUASCUTUM GROUP: Mrs Elizabeth Abraham, chairman, director, and Mr Michael Walker, marketing director. They are both senior executives of the main subsidiary companies. LONDON & CONTINENTAL BANKERS has appointed Mr Keith Farnham as an associate director. Mr Nicholas K. Barton becomes senior manager, and Mr Francis Tomlinson, manager. Mr Colin Diment has been appointed a director of GREENALL WHITLEY. Mr Diment joined Greenall Whitley in 1985 and is managing director of James-Shipstone and Sons. Mr Jay Tanna has been appointed chief executive and managing director of SORCO ENGINEERING, wholly-owned subsidiary of Sorco Engineering A/S, Stavanger.

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various unit trusts and insurance companies with columns for company name, address, and financial details.

Table listing various unit trusts and insurance companies, including details like company name, address, and financial data.

Table listing various unit trusts and insurance companies, including details like company name, address, and financial data.

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Table listing various unit trusts and insurance companies, including details like company name, address, and financial data.

Handwritten note: 10/11/88

Handwritten note: 16/02/86

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds, including entries for Scottish Mutual Assurance Society, Sun Life, and various international investment funds.

Main table of insurance, overseas, and money funds, listing numerous fund names, their managers, and performance metrics.

Table of money market bank accounts and traditional options, including sections for Money Market Bank Accounts and 3-month call rates.

OFFSHORE AND OVERSEAS

TRADITIONAL OPTIONS

Table of traditional options, including 3-month call rates and various market indicators.

COMMODITIES AND AGRICULTURE

No bonanza for Spanish farmers

SINCE Spain joined the EEC in January, the action has taken place on both sides of the border. In railway sidings near Perpignan, farmers set fire to shipment of Spanish iceberg lettuce...

resultant loss of competitiveness. The strong pigmeat sector cannot take advantage of entry because of Spain's African swinefever problem.

Spain and Portugal effectively join the EEC's Common Agricultural policy on March 1. In the first of a series David White examines the problems and opportunities for Madrid

THE CAP ENLARGES



offered no fresh openings and that the most vulnerable sectors were being put at risk. One seen as a big opportunity for Spanish farmers is the entry into the common agricultural market.

for expansion, owing to the country's tough, mostly mountainous conditions. Irrigated areas, including the expanses of hot-house plastic along the southern coastal belt, leave little room for increased output.

Strike hits Peru's biggest mining company

CENTROMIN, PERU'S biggest state-owned mining company, has been paralysed by a strike of miners and refinery workers, reports Reuters from Lima.

Cold spell lifts oil market

CRUDE OIL prices, especially for prompt delivery cargoes, rose sharply yesterday as the cold spell in Europe intensified, and refiners hurried to meet the increase in demand.

ward market 10 days ago. One trader commented that the major oil companies still appeared very wary of doing business with the smaller trading companies.

porter of crude oil to the US. Mr Wilcox called on the US to avoid "short term measures which could interfere with free trade and undermine energy conservation and supplies

Indonesian nickel plant to close for six weeks

INDONESIA'S single largest foreign investment venture, the \$1bn Inco (Canada) nickel mine on the island of Sulawesi has announced a shutdown later this year in an effort to cut losses.

Malaysian tin price picks up

PHYSICAL TIN on the Kuala Lumpur tin market yesterday firmed another 65 cents to \$321.10 a kilo, after a 19 cent rise on Monday.

By Wong Sulong in Kuala Lumpur. PHYSICAL TIN on the Kuala Lumpur tin market yesterday firmed another 65 cents to \$321.10 a kilo, after a 19 cent rise on Monday.

Guayana plans gold boost

GUAYANA is expanding its gold mining with the assistance of companies from North and South America.

EEC ministers divided on dairy buy-out scheme

A PLAN to cut EEC milk production by 3 per cent through an incentive scheme for farmers to abandon production received a mixed reception from Community farm ministers yesterday.

Freight futures

General selling emerged on the dry cargo opening, but short-covering technical developed. The physicals of the market were unchanged.

Spot prices

Business done—Wheat: Mar 114.65, Apr 115.15, May 115.65, Jun 116.15, Jul 116.65, Aug 117.15, Sep 117.65, Oct 118.15, Nov 118.65, Dec 119.15, Jan 119.65, Feb 120.15.

LONDON MARKETS

CURRENCY factors were the dominant influence in London's commodity markets yesterday. The Robusta coffee futures market went into reverse once again, losing \$47.50 on the day in the May contract to close at £2,575.50 per tonne.

INDICES FINANCIAL TIMES

Table with columns: Index Name, Value, Change, % Change. Includes REUTERS, DOW JONES, MAIN PRICE CHANGES.

ALUMINIUM

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

COPPER

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

LEAD

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

TIN

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

NICKEL

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

ZINC

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

GOLD

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

SILVER

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

US MARKETS

PRECIOUS METALS, after opening firm, came under selling pressure to close steady to lower on reports that President Marcos had ceded power in the Philippines.

NEW YORK

Table with columns: Commodity, Price, Change. Includes ALUMINIUM, COCOA, COFFEE, COTTON, CRUDE OIL, GRAINS, MEAT, WHEAT, GOLD, SILVER.

CHICAGO

Table with columns: Commodity, Price, Change. Includes LIVE HOGS, SOYBEANS, SOYBEAN OIL, WHEAT, CORN, RICE.

SOYBEAN OIL

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

WHEAT

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

CORN

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

RICE

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

MEAT

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

WHEAT

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

JUTE

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

PLATINUM

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

SILVER

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

SOYBEAN OIL

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

WHEAT

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

CORN

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WHEAT

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

JUTE

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

CRUDE OIL

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

POTATOES

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

SOYBEAN OIL

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

WHEAT

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

CORN

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

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CRUDE OIL

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

SOYBEAN OIL

Table with columns: Month, Price, Change. Includes Unofficial + or - of month, High/Low.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to fall

The dollar continued to lose ground yesterday with no change in the market's bullish outlook.

£ IN NEW YORK

Table showing exchange rates for £ in New York, including columns for Close, Feb 25, and Prev. close.

dollar's exchange rate index fell from 116.7 to 117.7, its lowest level since January 1985.

STERLING - Trade weighted range against the dollar in 1985-1986 is 1.4960 to 1.6253.

Staring benefited from the dollar's weaker trend with the current high level of UK interest rates providing an added attraction.

D-MARK - Trading range against the dollar in 1985-86 is 2.4510 to 2.9440.

FINANCIAL FUTURES

Further rise

Dollar interest rate contracts rose on the London International Financial Futures Exchange yesterday as the rebound in oil prices.

March US Treasury bonds opened at 91.06 and fell to the day's low of 90.28.

Profit taking took the contract down to 82.25, before it rose to 82.25 on the defence element of the durable goods data.

June Eurodollars opened at 82.25 and were pushed up to 82.25 by the CPPI and durable goods figures.

JAPANESE YEN

Trading range against the dollar in 1985-1986 is 243.15 to 249.55.

The yen was firmer against the dollar in Tokyo yesterday.

The US market finished at 7150.50 down from 7181.50 in New York.

However, trading was confined to a fairly narrow range.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies like US Dollar, Canadian Dollar, etc., with columns for Bank of England and Morgan Guaranty.

OTHER CURRENCIES

Table showing other currencies like Argentine, Australian, Brazilian, etc., with columns for Feb 25 and % change.

CURRENCY RATES

Table showing currency rates for various countries like Australia, Belgium, Canada, etc., with columns for Feb 25 and % change.

LONDON

Table showing FT-SE 100 INDEX with columns for Close, High, Low, and Prev.

CHICAGO

Table showing US TREASURY BONDS (CBT) and US TREASURY BILLS (1848).

THREE-MONTH EURO-DOLLAR

Table showing three-month Euro-dollar rates with columns for Close, High, Low, and Prev.

THREE-MONTH STERLING

Table showing three-month Sterling rates with columns for Close, High, Low, and Prev.

ONE-MONTH EURO-DOLLAR

Table showing one-month Euro-dollar rates with columns for Close, High, Low, and Prev.

ONE-MONTH STERLING

Table showing one-month Sterling rates with columns for Close, High, Low, and Prev.

LIBOR-EURO-DOLLAR OPTIONS

Table showing LIBOR-Euro-dollar options with columns for Strike, Call, and Put.

LIBOR/STERLING OPTIONS

Table showing LIBOR/Sterling options with columns for Strike, Call, and Put.

LIBOR-DOLLAR OPTIONS

Table showing LIBOR/Dollar options with columns for Strike, Call, and Put.

LIBOR-YEN OPTIONS

Table showing LIBOR/Yen options with columns for Strike, Call, and Put.

LIBOR-DM EURO-DOLLAR

Table showing LIBOR-DM Euro-dollar options with columns for Strike, Call, and Put.

LIBOR-DOLLAR MARKS

Table showing LIBOR/Dollar Marks with columns for Close, High, Low, and Prev.

STERLING INDEX

Table showing Sterling Index with columns for Feb 25, Previous, and % change.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates with columns for Country, Rate, and % change.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing with columns for Six months US dollars, Three months US dollars, and One month US dollars.

LONDON MONEY RATES

Table showing London Money Rates with columns for Feb 25, Over night, 7 days notice, and One month.

POUND SPOT—FORWARD AGAINST POUND

Table showing Pound Spot—Forward Against Pound with columns for Day's spread, Close, and % change.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table showing Dollar Spot—Forward Against Dollar with columns for Day's spread, Close, and % change.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currencies like DM, Yen, Ffr, etc.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies and terms like 3 months, 6 months, etc.

NEW YORK RATES

Table showing New York Rates for Prime rate, Broker loan rate, Fed funds at intervention, etc.

MONEY MARKETS

Interest rates continued to decline on the London money market yesterday, with the longer periods being the focus of the greatest fall.

The Bank of England revised its estimate of the London money market shortage three times, and eventually appeared to supply more help than necessary.

UK clearing banks base lending rate

UK clearing banks base lending rate 12 1/2 per cent since January 9.

The authorities were through purchases of bills in the shorter dated bands and there was a suggestion some houses may have offered bids below the present intervention rates.

Rates fall as pound rises

Interest rates continued to decline on the London money market yesterday, with the longer periods being the focus of the greatest fall.

MONEY RATES

Table showing Money Rates for various currencies like Frankfurt, Paris, etc.

London Commodity Charts - for clear presentation - for the ability to update your own charts. Includes contact information for London Commodity Charts at 28 Pantons Street, Cambridge, CB2 1DE.

GOLD FIELDS OF SOUTH AFRICA LIMITED - (Incorporated in the Republic of South Africa) - includes details about the company's operations and share information.

Company Notices - includes notices for AKRANES AND BORGARFJORDUR HEATING CORP. and PIONEER ELECTRONIC CORPORATION.

Legal Notices - includes notices from STEPHEN DANIEL SWADDEN, FCA and other legal professionals.

American Express Credit Corporation - Japanese Yen 20,000,000 Dual Currency Yen Redemption 8% Bonds Due 1996. Includes details about the bonds and contact information for Shearson Lehman Brothers International.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, % Change, and Dividend Yield. Includes sections for 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS - Cont.

Table of American Stocks with columns for Name, Price, % Change, and Dividend Yield. Includes sections for 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, and Roads stocks with columns for Name, Price, % Change, and Dividend Yield.

DRAPERY & STORES - Cont.

Table of Drapery and Stores stocks with columns for Name, Price, % Change, and Dividend Yield.

ENGINEERING - Continued

Table of Engineering stocks with columns for Name, Price, % Change, and Dividend Yield.

Index-Linked

Table of Index-Linked funds with columns for Name, Price, % Change, and Dividend Yield.

CANADIANS

Table of Canadian stocks with columns for Name, Price, % Change, and Dividend Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Name, Price, % Change, and Dividend Yield.

FOOD, GROCERIES, ETC

Table of Food, Groceries, and other stocks with columns for Name, Price, % Change, and Dividend Yield.

INDUSTRIALS - Continued

Table of Industrial stocks with columns for Name, Price, % Change, and Dividend Yield.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling issues with columns for Name, Price, % Change, and Dividend Yield.

BANKS, HP & LEASING

Table of Banks, Hire Purchase, and Leasing stocks with columns for Name, Price, % Change, and Dividend Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Price, % Change, and Dividend Yield.

ENGINEERING

Table of Engineering stocks with columns for Name, Price, % Change, and Dividend Yield.

INDUSTRIALS (Misc.)

Table of Miscellaneous Industrial stocks with columns for Name, Price, % Change, and Dividend Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, % Change, and Dividend Yield.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits stocks with columns for Name, Price, % Change, and Dividend Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Price, % Change, and Dividend Yield.

ENGINEERING

Table of Engineering stocks with columns for Name, Price, % Change, and Dividend Yield.

INDUSTRIALS (Misc.)

Table of Miscellaneous Industrial stocks with columns for Name, Price, % Change, and Dividend Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Price, % Change, and Dividend Yield.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits stocks with columns for Name, Price, % Change, and Dividend Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Price, % Change, and Dividend Yield.

ENGINEERING

Table of Engineering stocks with columns for Name, Price, % Change, and Dividend Yield.

INDUSTRIALS (Misc.)

Table of Miscellaneous Industrial stocks with columns for Name, Price, % Change, and Dividend Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Name, Price, % Change, and Dividend Yield.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits stocks with columns for Name, Price, % Change, and Dividend Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Price, % Change, and Dividend Yield.

ENGINEERING

Table of Engineering stocks with columns for Name, Price, % Change, and Dividend Yield.

INDUSTRIALS (Misc.)

Table of Miscellaneous Industrial stocks with columns for Name, Price, % Change, and Dividend Yield.

AMERICANS

Table of American stocks with columns for Name, Price, % Change, and Dividend Yield.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits stocks with columns for Name, Price, % Change, and Dividend Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Price, % Change, and Dividend Yield.

ENGINEERING

Table of Engineering stocks with columns for Name, Price, % Change, and Dividend Yield.

INDUSTRIALS (Misc.)

Table of Miscellaneous Industrial stocks with columns for Name, Price, % Change, and Dividend Yield.

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INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Airways, British Petroleum, and British Telecom.

LEISURE—Continued

Table of leisure stock prices including companies like British Airways, British Petroleum, and British Telecom.

PROPERTY—Continued

Table of property stock prices including companies like British Airways, British Petroleum, and British Telecom.

INVESTMENT TRUSTS—Cont.

Table of investment trust stock prices including companies like British Airways, British Petroleum, and British Telecom.

FINANCE, LAND—Cont.

Table of finance and land stock prices including companies like British Airways, British Petroleum, and British Telecom.

MINES—Continued

Table of mine stock prices including companies like British Airways, British Petroleum, and British Telecom.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like British Airways, British Petroleum, and British Telecom.

COMMERCIAL VEHICLES

Table of commercial vehicle stock prices including companies like British Airways, British Petroleum, and British Telecom.

SHIPPING

Table of shipping stock prices including companies like British Airways, British Petroleum, and British Telecom.

SHOES AND LEATHER

Table of shoes and leather stock prices including companies like British Airways, British Petroleum, and British Telecom.

OVERSEAS TRADERS

Table of overseas trader stock prices including companies like British Airways, British Petroleum, and British Telecom.

PLANTATIONS

Table of plantation stock prices including companies like British Airways, British Petroleum, and British Telecom.

INSURANCES

Table of insurance stock prices including companies like British Airways, British Petroleum, and British Telecom.

PROPERTY

Table of property stock prices including companies like British Airways, British Petroleum, and British Telecom.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including companies like British Airways, British Petroleum, and British Telecom.

FINANCE, LAND, etc

Table of finance, land, and other stock prices including companies like British Airways, British Petroleum, and British Telecom.

MINES

Table of mine stock prices including companies like British Airways, British Petroleum, and British Telecom.

REGIONAL & IRISH STOCKS

Table of regional and Irish stock prices including companies like British Airways, British Petroleum, and British Telecom.

Notes and regional/irish stocks section at the bottom of the page.

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates
Option
\*First Declara- Last Account
Dealings tions Dealings Day
Feb 10 Feb 20 Feb 21 Mar 3
Feb 24 Mar 6 Mar 7 Mar 17
Mar 10 Mar 26 Mar 27 Apr 7

Gilts march on but profit-taking leaves equities lower

Expectations that business would fall off from recent high levels as investors re-examined the fundamentals responsible for the unprecedented four-week surge in share prices were wide of the mark yesterday. Turnover was again heavy with fresh inflows of investment funds more than offsetting sales of stock for most of the trading session.

The scent of bank base rate cuts before next month's budget attracted the new money when commercial rates for credit eased noticeably again in London. Sustained buying pulled leading stocks up from lower opening levels and the tone brightened further as oil prices steadied on views that Saudi Arabia could be ready to modify its hard line over non-OPEC production and cut output.

Although another strong sterling performance against the dollar militated against support of international stocks, the market continued its march forward to record levels. Shortly after 10 pm the FT-SE 100 share index was over seven points up but an hour or so later a bout of profit-taking developed. The opportunity to buy stock was snatched by investors who immediately marked prices down to force out more nervous short-term holders.

Few were persuaded to sell but the damage had been done and the reactionary tendency continued in the after-hours trading to leave the FT-SE index down 5.3 on the day at 1,527.7. Its narrower-sister index, the FT Ordinary share, ended 11 off at 1,264.

The opening scenes in the gilt-edged market were dramatic with some dealers calling prices nearly a point higher; this reflected the strength of the exchange rate in the after-hours. After initial confusion, sellers gained the upper hand and gains were halved before business became more evenly balanced as the market moved from noon onwards but the firmness of sterling encouraged fresh demand awaiting the possibility of new official funding at 5.50.

This was announced via the issue to the Bank of England of £800m of Conversion 8 1/2 per cent 2005, to be designated "A". When business recommenced 30 minutes later, most longer-dated gilts were quoted a touch lower but medium life issues held their ground to close with rises extending to 1 1/2. The shorts also maintained a firm profile to end nearly a higher on balance.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Index No., Day's Change %, etc. Lists various industry groups like CAPITAL GOODS, BUILDING MATERIALS, etc.

FIXED INTEREST

Table with columns: PRICE INDICES, Tenor, Day's Change %, etc. Lists various interest rates and indices.

Clearers rally

Clearing banks regained composure after Monday's weakness on Mexican debt worries. Lloyds, in particular, came in for renewed support ahead of Friday's preliminary results and closed 11 better at 481p, after 453p.

Life Insurances returned to prominence as a couple of brokers' recommendations for the sector attracted investors. Although best levels were not held, double-figure gains were still commensurate by the close.

Equity and Law advanced 11 to 265p, after 270p, as did Legal and General at 74p, after 75p. Britannic moved up 10 to 840p, after 835p, and London and Manchester appreciated 15 to 835p.

Leading Building issues turned irregular as recent buying ran into profit-taking and settled 8 off at 57p and Tarmac slipped 4 to 418p. Barratt Developments attracted good support at 83p, while Gue tomorrow. Laporte slipped 5 to 365p, but Wardle Storeys continued to attract buyers and rose 10 to 276p, while takeover favourite James Hatfield gained 8 more to 144p.

Profit-taking in Stores

Retailers, widely-supported recently, paused for a moment. Dealers reported only occasional offerings, but quotations still finished at around the day's lowest. Woolworths, 450p, after 455p, and J. & S. Burtenshaw, 266p, all shed a few pence, while Searns up to 124p at one stage

FINANCIAL TIMES STOCK INDICES

Table with columns: Government Secs, Fixed Interest, Ordinary, etc. Shows various stock indices and their values.

HIGHS AND LOWS

Table with columns: Govt. Secs, Fixed Int., Ordinary, Gold Mines. Shows high and low values for various categories.

SE. ACTIVITY

Table with columns: Govt. Secs, Fixed Int., Ordinary, Gold Mines. Shows daily percentage changes for various categories.

settled a net penny cheaper on balance at 120p. Profit-taking was also evident in recent speculative high-fliers Martin Ford, 107p, and Aquasunum "A", 95p, down 4 and 6 respectively.

Traf. House advance

Most leading miscellaneous industrial, particularly international stocks, took a distinct turn for the worse, but Trafalgar

YESTERDAY'S ACTIVE STOCKS

Table listing active stocks from yesterday with columns: Stock, Price, Change, etc.

MONDAY'S ACTIVE STOCKS

Table listing active stocks from Monday with columns: Stock, Price, Change, etc.

EUROPEAN OPTIONS EXCHANGE

Table listing European options with columns: Series, Vol., Last, etc. Includes various stock options like GOLD, SILVER, etc.

House, overlooked recently, met with support and put on 13 to 334p. Pilkington, sustained by BTR bid hopes, also resisted the trend and touched 449p before settling only 5 higher on the day at 436p.

In contrast US favourite Glaxo succumbed to currency influences and fell 52 to 875p. Bechman, reflecting the lack of any bid developments, fell 10 to 375p. BTR, 433p, and BOC, 315p, fell 10 and 8 respectively, while Hanson Trust drifted back a couple of pence to 430p.

Macarthy's Pharmaceutical rose 27 to 322p; it was announced yesterday that Jadelite and the concert parties control and have acceptances in respect of shares representing a total of 45.68 per cent. Bluebird Toys responded to the preliminary figures with a rise of 8 to 218p, while Marley closed a penny firmer at 111p.

Food Retailers made another bright showing. Dee Corporation was prominent at 265p, up 10, after 255p, while a good counter in Electricals, rising to 116p on vague rumours of a possible bid from BTR before closing the session 4 higher at 112p.

Associated Newspapers, trading in slimmed-down form following the 3-for-1 scrip issue, moved up 4 1/2 to 308p, after 295p, following a placing of 276,000 shares at 100p. The potential benefits of the proposed merger stimulated support of Vantage Viiella, 6 1/2 at 452p, after 444p, and Costa Fatos, 4 to the good

RISES AND FALLS YESTERDAY

Table showing rises and falls in various markets like British Funds, Foreign Bonds, etc.

LONDON TRADED OPTIONS

Table listing London traded options with columns: Option, Apr., May, Jun., etc. Includes various call and put options.

at 262p. Courtlands, at one time suspected as a possible counter-bidder for Costa Fatos, touched 235p before settling 8 up on balance at 233p. Elsewhere, revived takeover speculation lifted Hillingworth Morris 8 to 121p, and John Crowther 12 to 152p, the latter for a two-day advance of 19.

The oil sector rose strongly throughout the morning and early afternoon on heavy buying prompted by the further rally in North Sea oil prices, but came off the top after-hours owing to profit-taking. BP, additionally boosted by talk of a buy recommendation from a leading broker, touched 549p before dipping late to close a net 7 higher at 537p. Shell settled 15 up on balance at 703p, after 710p while Britoil ended the day 5 firmer at 187p, after 190p.

Secondary issues provided one of the day's outstanding features in Barmah which reached a 1985-86 high of 336p, reflecting rumours of an imminent bid from Lomiro, prior to closing a net 24 to the good at 330p.

The Australian oil sector suffered a severe mauling in overnight Sydney and Melbourne markets following heavy cuts in domestic oil prices. London dealers marked share prices down sharply at the outset, and after an initial flurry of selling, little in the way of further pressure was reported. Santos were especially vulnerable and allowed a 2 1/2 fall to 185p.

Platinum up again

South African sectors of mining markets continued to gain ground despite the latest sharp rise in sterling against the dollar. Platinum remained a strong market following a further show of strength by the platinum price which touched 8425 at one point before settling back to around 8417 at the end of the day. Heavy losses in oil shares were chased higher for much of the session before easing on profit-taking in the day. Rustenburg, the chief beneficiary of the recent surge in platinum prices, jumped 30 more to 740p.

NEW HIGHS AND LOWS FOR 1985/6

Table listing new highs and lows for 1985/6 with columns: NEW HIGHS (243), NEW LOWS (31), etc.

TRADITIONAL OPTIONS

Table listing traditional options with columns: Option, May, Jun., Jul., etc. Includes various call and put options.

RECENT ISSUES

EQUITIES

Table listing recent equity issues with columns: Issue, Amount, Price, etc.

FIXED INTEREST

Table listing recent fixed interest issues with columns: Issue, Amount, Price, etc.

RIGHTS OFFERS

Table listing rights offers with columns: Issue, Amount, Price, etc.

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WORLD STOCK MARKETS

Handwritten note: 1000000000

Table of stock market data for various countries including Austria, Germany, Norway, Australia, Japan, Canada, Denmark, France, Netherlands, and Sweden. Columns include country, stock name, price, and change.

Table of stock market data for Canada, including Toronto and Montreal sections. Columns include stock name, price, and change.

Table of stock market indices for various countries including Australia, Austria, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Netherlands, and Sweden.

OVER-THE-COUNTER Nasdaq national market, 2:30pm prices

Table of over-the-counter stock prices for various companies, including symbols like Orlin, Orlin, Orlin, etc.

CANADA Toronto Prices at 2:30pm February 25

Table of Toronto stock prices for various companies like AMCA, AMCO, AMCO, etc.

NEW YORK DOW JONES Feb. 25

Table of New York stock prices for various companies like IBM, AT&T, etc.

LONDON Chief price changes (in pence unless otherwise indicated)

Table of London stock price changes for various companies like BHP, BP, etc.

NYSE COMPOSITE PRICES

Table of NYSE composite prices for various indices like 12 Month, High Low, etc.

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Prices at 3pm, February 25

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices for various companies, organized in columns with headers for stock symbols, prices, and changes. Includes sub-sections like 'D O D' and 'M M'.

Continued on Page 35

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for Stock, Price, Change, and Volume. Includes sub-sections for 'Continued from Page 34' and 'Continued on Page 33'.

AMEX COMPOSITE PRICES

Prices at 3pm, February 25

Table of AMEX Composite Prices with columns for Stock, Price, Change, and Volume. Includes sub-sections for 'Continued from Page 34' and 'Continued on Page 33'.

OVER-THE-COUNTER Nasdaq national market, 2:30pm prices

Table of Over-the-Counter prices with columns for Stock, Price, Change, and Volume. Includes sub-sections for 'Continued on Page 33' and 'Continued on Page 33'.

Handwritten signature 'Jeffrey' in a box.

